

PERSONNEL, PAYROLL, AND INSURANCE MANUAL

CONFIDENTIAL OPERATIONS MANUAL #________



PREFACE

The ShowBiz Pizza Place, Inc., Personnel, Payroll, and Insurance Manual contains procedures to follow in company operated locations. These are "white" pages, therefore, recommended to but not required of franchisees. These procedures are subject to change, admendment, or supplement by ShowBiz Pizza Place, Inc.

Strict adherence to all elements of the Personnel, Payroll, and Insurance Manual is necessary, essential, and required to maintain high standards of accountability. All company locations must comply with and maintain these standards at a level equal to or greater than the standards set forth in this Manual.

NOTE: IN ALL INSTANCES STATE, LOCAL, AND FEDERAL LAWS TAKES PRECEDENT OVER SHOWBIZ PIZZA PLACE POLICIES AND PROCEDURES. IF CONFLICTS ARE ENCOUNTERED, CONTACT THE DISTRICT MANAGER OR FRANCHISE REPRESENTATIVE IMMEDIATELY.

The Personnel, Payroll, and Insurance Manual is the property of ShowBiz Pizza Place, Inc., and shall be used and maintained in confidence. Additions and modifications will automatically be sent to the Manual holders.

Questions regarding the Personnel, Payroll, and Insurance Manual may be referred to:

ShowBiz Pizza Place, Inc.
Quality Assurance Department
4441 West Airport Freeway
Irving, TX 75062
USA



MANUAL FORMAT EXPLANATION

The Confidential Operations Manual is color coded with yellow and white pages. The policies and procedures contained within the yellow sections are required of all ShowBiz Pizza Place entertainment centers. The policies and procedures contained within the white sections are required of all ShowBiz Pizza Place, Inc. Company entertainment centers. The white policies and procedures are only recommended to franchisees and ShowBiz Pizza Place, Inc. does not require its franchisees to follow them.

The index for all the Confidential Operations Manual is found in the Policy Manual.

NOTE: Subjects found in the Forms Catalog are not listed in this index. Please see the table of contents for this manual for subject reference.



MANUAL FORMAT EXPLANATION

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Policy # 101
Title: Audits by Government Agencies
Effective Date: 4-18-85

OPERATIONS MANUAL

SUBJECT: AUDITS BY GOVERNMENT AGENCIES

POLICY:

The Corporation and its representatives will be cooperative to government agency representatives conducting audits in company operated entertainment centers.

PROCEDURES:

1. Ask the officer to identify himself by showing official credentials.

2. Request information relative to the nature of the audit.

3. Call the Human Resources Department and the district manager to inform them of the scheduled investigation.

4. Provide the investigator a room for examining records and interviewing witnesses. If possible, the room should be away from work areas.

5. Designate a company representative (normally the general manager) to be the investigator's contact. This person will provide the records as requested and only those records.

6. The designated company representative should keep a log of the records reviewed and employees interviewed by the investigator to have as much information as possible as to the evidence the investigator has obtained. With this information, the company can make more informed decisions should a complaint be filed or a violation be alleged.

7. Never argue with the investigator's findings nor agree with them. Nor, should you agree to any settlement suggested. Such decisions will be made by the Human Resources Department after consultation with legal counsel and the Director of Operations.

8. The general manager or designated company representative is to keep the district manager and Human Resources Department appraised of all matters of the investigation. Copies of any legal documents and all findings are to be forwarded to the Human Resources office.



OPERATIONS MANUAL

SUBJECT: EMPLOYEE BREAKS

POLICY:

*All non-management employees working longer than a four hour shift will be given a break by the Manager as business demands permit.

*Nothing in the federal statutes requires an employee to be given a rest period. The above employee break policy is designed to follow most state/local labor legislation; however, where state/locality dictates a more stringent policy, it will be followed.

PROCEDURE:

1. Breaks will not exceed ten (10) minutes in duration.
2. Breaks are to be taken in the Employee Break Area.
3. Employees may not leave the entertainment center during the paid ten (10) minute breaks.
4. Employees do not clock in or out for a paid ten (10) minute break.



Policy # 103
Title: Citizenship/Alien Status
Effective Date: 4-18-85

OPERATIONS MANUAL

SUBJECT: CITIZENSHIP OR ALIEN STATUS

POLICY:

The Citizenship/Alien Policy may be found in the POLICY MANUAL, #303.



Policy # 104
Title: Classification of Employees
Effective Date: 4-18-85

OPERATIONS MANUAL

SUBJECT: EMPLOYEE CLASSIFICATION FOR BENEFIT PURPOSES

POLICY:

All employees are divided into six separate classes for benefit purposes.

DESCRIPTION OF CLASSES:

Class I — Corporate Home Office Department Heads/Directorships and Regional & District Management.

Class II — Entertainment Center Managers and other corporate staff management.

Class III — Entertainment Center Assistant Managers, Electronic Specialists, and installation team members.

Class IV — Entertainment Center non-management normally scheduled for less than forty (40) hours a week and non-management averaging more than forty hours per week who have not completed their 90 day probationary period.

Class V — Corporate Home Office non-exempt personnel normally scheduled for forty (40) hours or more work per week, who work at least thirty-five (35) hours, and who have successfully completed their 90-day probationary period.

Class VI — Entertainment Center non-management normally scheduled for forty (40) or more hours a week, who work at least 35 hours a week, and who have successfully completed their 90 day probationary period.

FULL-TIME EMPLOYEES DEFINED:

Any employee who is regularly scheduled to work forty (40) hours or more each week is considered a full-time employee. Class I, Class II, Class III, Class V, and Class VI employees are of full-time status.

If an employee works less than thirty five (35) hours per week for six consecutive weeks (or three pay periods), the employee will be ineligible for full time status or benefits. The management team at each entertainment center is responsible for correctly classifying full and part time employees.



Policy # 105
Title: Compensation - Employee
Effective Date: 4-18-85

OPERATIONS MANUAL

SUBJECT: EMPLOYEE COMPENSATION

POLICY:

It is the policy of the corporation to establish pay scale ranges from which all employee's salaries/hourly rates will be determined. These guidelines will be based on the nature of the job performed and the rate being paid for similar work by other employers in the community.

PROCEDURE:

1. The pay scale ranges will be reviewed yearly in December and revisions will be approved by the Director of Operations.

2. The pay scales for all positions will be retained in the Human Resources Department with copies distributed to the District Mangers for implementation.

3. The Federal Minimum Wage is $3.35 per hour until further notice. When state and federal minimum wages disagree, the higher is to be paid.

4. New non-exempt employees are generally hired at the minimum rate assigned to their job. Supervisors may recommend and receive permission from the District Manager to hire higher starting wages based upon the new employee's experience or ability which would merit such from added results over that of the minimum grade.

5. Non-exempt employees must be paid for all hours worked. Even if the employee volunteers to work "off the clock", he/she must be paid.

6. Management salaries are based on experience, productivity, needs and one's ability to contribute successfully to the goals of the organization and meet the accountabilities as outlined in the respective job description.

7. Salaries are confidential and to be discussed only with one's immediate supervisor or individuals directly above the superisor.



Policy # 106
Title: Conduct Rules

Effective Date: 4-18-85

OPERATIONS MANUAL

SUBJECT: CONDUCT RULES

DESCRIPTION: The Employee Conduct Rules are placed in writing to insure fair and equal treatment of all employees. The Employee Conduct Rules read as follows:

PROCEDURE:

A. Commission of any one of the following acts may be considered just cause for immediate dismissal:

1. Any falsification, alteration, or destruction of company records, including employment application.
2. Possessing dangerous or deadly weapons on company premises or while off company premises in performance of company duties.
3. Reporting to work under the influence of intoxicants or drugs; drinking alcholic beverages, using drugs; or the possession of either while on company time or premises.
4. Refusing to obey direct instruction from a supervisor. (Insubordination)
5. Coercion, intimidation or threats against customers, supervisors or fellow employees.
6. Disrespectful or discourteous conduct to customers or supervisors.
7. Gambling or fighting on company premises.
8. Theft, pilferage, misappropriation, misuse or willful destruction of employees', visitors' or company's property, or unauthorized removal of such, including found items. Failure to protect assets; negligence in following prescribed security and cash handling procedures. Sabatoge, vandalism.
9. Interfering with or hindering of work schedules.
10. Being absent three consecutive scheduled workdays without approval will be treated as voluntary resignation.
11. Harassment or coercion, of fellow employees, supervisors or guests. This includes, but is not limited to racial or sexual harassment. Immoral, unlawful, or indecent conduct; soliciting or aiding and abutting persons for such. Using vulgarity.
12. Revealing confidential information to unauthorized persons.
13. Violence or threats of violence against guests, supervisors, or fellow employees.

B. Commission of any one of the following acts may be considered just cause for remedial action which could range from oral or written reprimand to suspension from work without pay to dismissal:

14. Smoking in guest's view or other prohibited area.
15. Unauthorized use of the telephone or frequent and unnecessary use of the telephone for personal business.



PROCEDURE: (Cont'd)

16. Parking motor vehicle in other than areas designated by management.
17. Failing to abide by clock rules, sign-in, sign-out procedures; falsification of time cards; working overtime without management authorization; stopping work early without management authorization.
18. Excessive absenteeism or tardiness.
19. Dining or snacking at any time other than during designated breaks, meal periods, or in areas other than designated by management.
20. Failing to perform work or job assignments satisfactorily and efficiently.
21. Unauthorized absence from assigned work area, or being in an unauthorized area. Loitering or sleeping on the job.
22. Failing to observe established health, fire and safety practices. Failure to report unsafe actions of other employees or an injuries sustained while on duty.
23. Failing to exhibit a neat and businesslike appearance and high degree of personal cleanliness at all times. Failure to wear prescribed uniform or approved name badge, both if applicable.
24. Unauthorized distribution of literature of any description in working areas. Posting or removing notices, signs, memoranda or writing in any form on a bulletin board or company property.
25. Making or publishing false, vicious or malicious statements concerning an employee, supervisor, the company or its food, beverages or services within hearing distance of customers.
26. Discussing confidential company information in public areas where customers could overhear conversation.
27. Receiving two garnishments for separate debts within a six-month period (subject to any restrictions by federal, state or local laws).
28. Failing to notify supervisor when unable to report to work as scheduled; supervisor must be notified no later than 2 hours prior to the beginning of the shift if the employee is to be absent or late that day.
29. While off duty, loitering and/or contributing to the inefficiency of employees who are working.
30. Being in working areas when not on duty without the approval of management.
31. Being on Company premises in uniform while off duty.
32. Failure to follow procedures as prescribed in the Confidential Operations Manual of ShowBiz Pizza Place, Inc.
NOTE: The Company retains the right to examine all packages in possession of employees going in or out of Company property.



OPERATIONS MANUAL

SUBJECT: CONFLICTS OF INTEREST

POLICY:

All business transactions which ShowBiz Pizza Place, Inc. participates must be ethically conducted with no conflicts of interest.

DESCRIPTION:

In making decisions, the management of ShowBiz Pizza Place is to exercise their free, independent judgment as to what is in the best interests of their company, and must not be influenced to the detriment of the company by personal relationships or outside interests.

DEFINITION OF CONFLICT OF INTEREST:

A conflict of interest exists if management of this corporation:

1. takes part in or exerts any influences on behalf of any other party in connection with any business decision or transaction affecting this corporation or any of its subsidiaries;

2. receives a fee, commission, renumeration, or other economic benefit from any other party, in connection with any business decision or transaction affecting this corporation or any of its subsidiaries;

3. is an officer, director or key employee of any other party, not a subsidiary of this corporation, which has business dealings with this corporation or any of its subsidiaries.

An "associate" of any such person means:

1. any corporation, partnership or legal entity (other than this corporation or one of its subsidiaries) in which such person is a partner or is, directly or indirectly, the beneficial owner of 10% or more of any class of equity securities;

2. any trust or other estate in which such person has a beneficial interest or to which such person serves as a trustee or in a similar fiduciary capacity;



3. any relative, spouse, or any relative of such spouse, who has the same residence as such person.

PROCEDURE:

All employees of this company must be constantly aware of this policy. If a conflict of interest should arise or appear to exist in connection with any business decision or transaction affecting this company, the person involved must promptly report to the vice president of operations all facts pertaining to such actual or apparent conflict of interest, so that action may be taken to determine whether a conflict of interest exists and if so, to disqualify such person from taking any part in or exerting any influence with respect to the decision or transaction.



Policy # 108
Title: Counseling - Employees
Effective Date: 4-18-85

OPERATIONS MANUAL

SUBJECT: COUNSELING - EMPLOYEES

POLICY:

It is the policy of ShowBiz Pizza Place, Inc. to counsel and/or reprimand employees in the private manner aside from other employees. All such contacts must be handled with the presence of a witness. All details of the contact are to be documented by both the manager and the witness.

See Reprimand/Termination Procedures for further details.



Policy # 109
Title: Dress Code

Effective Date: 4-18-85

OPERATIONS MANUAL

SUBJECT: DRESS CODE

POLICY:

The Dress Code Policy may be found in the POLICY MANUAL, #302.



OPERATIONS MANUAL

Policy # 110
Title: Employee of the Month
Effective Date: 4-18-85

DESCRIPTION: The Employee of the Month program recognizes and honors loyal employees. Management support and involvement in this program will be the keys to its success.

PROCEDURE:

1. Eligibility

All employees who have completed the 90-day probation period are eligible.

2. Selection Criteria

Management is to review candidates eligible for this award. Consideration should be given to, but is not limited to:

a. Guest comments, written and oral.
b. Dedication.
c. Service record.
d. Quality of work.
e. Attitude toward work, management, fellow employees.
f. Suggestions and ideas submitted.
g. "Over and beyond the call of duty" performance.

A suggested rating form (Exhibit 1) is included for aid in the selection process.

Consideration should be given to not awarding the same employee multiple times. However, the award is not to be rotated automatically.

3. Selection Timeline

The selection is to be made by the 25th of month for the following month.

4. Award

The employee of the month will be awarded a $25 bonus payable as described below.

5. Accountability

a. No bonuses are to be paid out of petty cash funds at the center. All bonuses must be processed through the payroll system.

b. The name of the "Employee of the Month" is to be forwarded to the District Manager.



c. To record the bonus on the payroll input sheet, $26.80 should be written under the "Other Income" column; and 14 for the "Other Income Code". This amount includes $1.80 for FICA and results in a $25.00 bonus to the employee.

d. All bonuses paid will be recorded in Account #623-Employee Benefits.

e. The employee will receive the bonus in their next paycheck.

6. Employee of the Month Plaques

Two plaques are to be displayed honoring the Employee of the Month. The name plates and photo plate are to be in place by the first Monday of the month.

a. Photo Plaque:

1. A photo of the Employee of the Month is to be taken and processed.

2. The name is to be engraved on the name plate which is placed under the photo.

3. The photo plaque is to be displayed in a secure area within guests view.

4. At the end of the month, the photo plate and stand are to be given to the Employee of the Month as a momento.

b. Master Plaque:

1. A name plate is to be engraved with the employee's name and month of the award. This is glued to the Master Plaque.

2. The Master Plaque is to be displayed in a secure area within guest's view.

7. Employee of the Month Parking Space

As added recognition, a parking space is to be allocated for the Employee of the Month. Management is to choose a front location and label the spot "Reserved for the Employee of the Month" with a locally produced sign.

If lease or shopping center agreements prohibit this, the District Manager is to be notified.



EXHIBIT 1

Employee of the Month Analysis

EMPLOYEE OF THE MONTH ANALYSIS

LOCATION:______________________ DATE:________________

EMPLOYEE NAME	Attitude Towards Work	Attitude Towards Management	Dependability	Attendance	Quality of Work	Quantity of Work	Ability to Work With Co-Workers	Job Knowledge	Observations of Company Policies and Procedures	Customer Awareness	1-5 Scale 50 Points Possible TOTAL



Policy # 111
Title: Employment of Immediate Family Members
Effective Date: 4-18-85

OPERATIONS MANUAL

SUBJECT: EMPLOYMENT OF IMMEDIATE FAMILY MEMBERS (For example: spouses, children, etc.)

POLICY:

In the interest of sound business practices and to eliminate favoritism, immediate family members of the entertainment center management personnel shall not be hired by ShowBiz Pizza Place, Inc. for employment in the same entertainment center.

Immediate family members include husband, wife, brother, sister, son, daughter, mother, father, in-laws, and others as may be determined by analysis of the relationship and circumstances.



Policy # 112
Title: Employment Outside the Corporation
Effective Date: 4-18-85

OPERATIONS MANUAL

SUBJECT: EMPLOYMENT OUTSIDE THE CORPORATION

POLICY:

The company allows its non-management employees to engage in other employment subject to certain restrictions as outlined below. Outside employment is not encouraged, however, and prior approval of management must be obtained before any such outside employment is accepted. No employee may work for a company that competes with our company. Management may only do volunteer work for which they are not compensated.

PROCEDURE:

1. The company recognizes the right of its employees to do as they please outside of regular working hours and to use their skills and knowledge to augment their incomes. However, employee rights in this area must be balanced against the company's need for full productivity during working hours and for loyalty from its employees.

2. Requests for permission to accept outside employment shall be submitted in writing to the general manager. The request shall state the name and address of the outside employer, the nature of the job, and the hours of employment.

3. In considering requests to accept outside employment, the general manager shall be guided by the following standards:

   A. Whether the outside employment will in any way lessen the employee's efficiency in working for the company.

   B. Whether the outside employment is within an organization which does business with or is a competitor of the company, working for an organization of this type is grounds for immediate dismissal.

4. It must be realized that employment with the company is the employee's primary responsibility. Outside employment will not be considered an excuse for poor job performance, absenteeism, tardiness, or refusal to work overtime. Should the outside employment cause or contribute to any of these situations, it must be discontinued or the employee will be asked to resign from the company.



Policy # 113
Title: Equal Employment

Effective Date: 4-18-85

OPERATIONS MANUAL

SUBJECT: EQUAL EMPLOYMENT

POLICY:

The Equal Employment Policy may be found in the POLICY MANUAL, #301.



OPERATIONS MANUAL

Policy # 114
Title: Exit Interviews

Effective Date: 4-18-85

SUBJECT: EXIT INTERVIEWS

POLICY:

The corporation will conduct exit interviews on all management employees terminating employment for the purposes of: determining the reasons for the employee's decision to leave the company; developing information which may prove helpful in evaluating company procedures and policies; and completing all administrative details involved with termination.

PROCEDURE:

1. The exit interview will be conducted by the district manager and/or a Human Resources representative.

2. A written record of the interview will be retained in the terminating employee's personnel file.

3. Inquires will include:

   a. An attempt to discover any previously unknown causes of termination, the knowledge of which could prevent the recurrence of such an action in the future.

   b. Information on any grievance or problems the employee may have with the company so that management can investigate possible solutions.

   c. Any possible misunderstandings between the employee and the immediate supervisor so that a similar situation can be avoided.

   d. Any possible resolution of grievance or dissatisfaction which would prompt the employee to withdraw the resignation.



Policy # 115
Title: Garnishments

Effective Date: 4-18-85

OPERATIONS MANUAL

SUBJECT: GARNISHMENTS

DESCRIPTION: An order of garnishment (Wage Deduction Summons, Affidavit or Writ of Garnishment, or whatever the particular state calls it) is an order from the court which entered the judgement; it is directed to the corporation as the defendant's employer and it instructs us to withhold a certain amount of money from the employee's paycheck. This is an order from the court and it requires immediate attention. IMMEDIATELY upon receipt of a garnishment, the following procedures are to be completed.

PROCEDURE:

1. Note the day and time the notice was received. Mark this information down on the garnishment.

2. Call the payroll department at MHMK and relay the following information:

   a. Name of the employeee
   b. Location where employee is employed
   c. Name of Plaintiff
   d. Total amount owed
   e. State from which garnishment was issued
   f. Any other information as requested by MHMK

3. The same day received, mail original garnishment to:

   General Counsel
   ShowBiz Pizza Place, Inc.
   4441 West Airport Freeway
   Irving, TX 75062

   ATTN: GARNISHMENT

4. One copy of the garnishment should be mailed to:

   Mize, Houser, Mehlinger & Kimes
   One Townsite Plaza
   Topeka, KS 66603

   Attn: SHOWBIZ PAYROLL DEPARTMENT,
   Garnishment

5. Retain one copy of the garnishment in the entertainment center records.



Policy # 116
Title: Gratuities

Effective Date: 4-18-85

OPERATIONS MANUAL

SUBJECT: GRATUITIES

POLICY:

Employees shall not solicite or accept gifts, gratuities, or personal discounts from any supplier or prospective supplier that deals with our company.

All suppliers will retain the company's business solely on the basis of product, service and pricing.

If any supplier to our company or employee of our company violates this policy, the corporation will terminate both the supplier and the employee.



OPERATIONS MANUAL

Policy # 117
Title: Harassment

Effective Date: 4-18-85

SUBJECT: HARASSMENT

POLICY:

It is the policy of ShowBiz Pizza Place, Inc. that all employees be able to work in an environment free from all forms of discrimination--this includes harassment on the basis of sex, color, race, religion or national origin.

Harassment is defined as unwelcomed behavior either physical or verbal in nature which creates an intimidating, hostile or offensive work environment.

Any employee found guilty of harassing other employees will be subject to immediate termination.



OPERATIONS MANUAL

Policy # 118
Title: Hiring Procedures - Non-Exempt
Effective Date: 4-18-85

SUBJECT: HIRING PROCEDURES - NON-EXEMPT

POLICY:

The company aims to seek out and hire those individuals who would be productive, honest, and service oriented.

PROCEDURE:

Staffing ShowBiz Pizza Place, Inc. Entertainment Centers with competent, reliable, honest personnel requires the careful compliance of the following selection procedures:

1. Assessing Personnel Needs:

   Management is constantly to be aware of present and future personnel needs. The company requires Entertainment Centers to maintain a mixture of approximately 75% part-time and 25% full-time employees.

   It is important to project sales which will affect the Entertainment Center's personnel requirements. Seasonal trends, school vacations, and local promotions are factors which will create added personnel needs. Project these well in advance to allow for sufficient time to staff the Entertainment Center.

2. Sources For Personnel Recruitment:

   Candidates for ShowBiz Pizza Place, Inc. employment can be recruited through the following sources:

   a. Referrals from present employees, friends, and business acquaintances.

   b. "Help Wanted" sign in the entertainment center. This sign must not be left up for more than one week out of every month.

   c. Local Churches.

   d. Placement/Guidance offices of local institutions of learning.

   e. Government employment agencies such as the state department of employment.

f. Advertisements in neighborhood and community newspapers. The following display advertisement can be used for such recruitment. The manager has the option to place this ad as a "display" ad as depicted or it may be placed as a non-display advertisement in order to reduce advertising costs.



Optional Wording: $4.00 per hour or more depending upon experience.

The ShowBiz Pizza Place at ______________________ is now hiring full and part-time cashiers, dining room attendants and cooks. Good full-time benefits including vacation pay, sick leave, and health/life insurance. Exciting and fun work environment. Apply at _________________________.

3. <u>Applications</u>:

   Applications are to be available at the front order cashier's station for interested persons. Applications are not to leave the restaurant for completion.

4. <u>Legal Age</u>:

   Hiring persons under sixteen (16) years of age is not allowed and applications are not to be provided to those who are below this age. The cashier is to ask whether the individual is "sixteen years of age or older".



5. Interviewing:

Interviewing is to be conducted during set hours posted and known by personnel handing out applications. Pre-screening of applications prior to interviewing is necessary to provide time economy in this step of the selection process.

To begin an interview, put the applicant at ease by getting acquainted, perhaps with small talk about the weather, community, etc.

Objectives during the interview are to:

a. Obtain as much information about the applicant as possible so you can evaluate him/her effectively.

b. To provide enough information about ShowBiz Pizza Place, Inc. and the position to make the individual want the employment opportunity.

INTERVIEW GUIDELINES - PROPER INQUIRIES

a. If the applicant is under 18, does he/she have a work permit?
b. If the applicant is not a US citizen, does he/she have a legal right to remain and work in the US?
c. Any limitation or handicap(s) which prohibit the applicant from performing specific kinds of work required for the position.
d. Past employment history.
e. Why applicant left former employment.
f. A list of references.
g. What kind of reference the applicant thinks he/she would get from former employers.
h. Schooling pertinent to job applied for.
i. If he/she has reliable transportation.
j. Special skills or talents related to the entertainment of the guests.
k. What kind of job duties the applicant is interested in?
l. Any limitations on hours or days available to work.



INTERVIEW GUIDELINES - IMPROPER INQUIRIES
DO NOT ASK:

a. Applicant's age.
b. Applicant's length of residency at present address.
c. Church affilication.
d. Applicant's father's surname.
e. A female applicant's maiden name.
f. Applicant's maritial status.
g. With whom the applicant resides.
h. How many children the applicant has, or future plans to have.
i. Ages of children.
j. Who will care for the children when the applicant works.
k. Where the applicant's spouse works or resides.
l. If the applicant owns or rents.
m. If he/she has ever filed bankruptcy or had wages garnished.
n. If he/she has served in the military of a foreign country.
o. What year he/she graduated from a course of study.

6. Evaluating the Candidate:

Along with the information on the application (which is to be completely filled out), there are also items which you must observe and evaluate for yourself. These include:

a. Personal appearance and hygiene.

b. General positive attitude.

c. Enthusiasm and friendliness.

d. Ability to communicate.

e. General intelligence level.

f. Work Orientation.

g. Stability.



6. Evaluating the Candidate (Cont'd):

   h. Health and agility as required for the position.

   i. Integrity; moral nature and standards.

   Management is to use the ShowBiz Pizza Place, Inc. Interview Report to help in evaluating candidates. This form must be completed uniformly on ALL candidates interviewed.

NOTE: Comments are to be written on the Interview Report Form and not on the application.

Two management individuals must interview and agree upon the hiring of every applicant. The Entertainment Center general manager must approve all hires.

If you believe the candidate would not meet the entertainment center needs, briefly explain the duties of the position and thank him/her for the time. Explain that there are a number of applicants and that the manager will contact the best qualified.

Reference checks must be made on every person being seriously considered for employment. The two previous employers and/or employers covering a period of the past five (5) years of employment must be contacted. Personal references are to be contacted if there is no previous employment history.

When making reference check calls, make an effort to speak directly to the applicant's former immediate supervisor, rather than the personnel records department. Ask for dates of employment, nature of the position held, a description of job performance standards, wages, reason for termination, and rehire status. Be certain to compare information given by the applicant and the reference. Any discrepancies are to be questioned thoroughly. Do not reveal to the candidate any information received from a former employer. Individuals with records which could impair their performance or trust will not be hired.

7. Notification of Hire:

   Once the general manager has authorized the hire, the applicant is to be contacted by telephone. Review with him/her the job duties, pay rate, and work hours. If all terms are acceptable, ask the new employee to report at a designated time for the orientation. See Orientation Policy.



8. TARGETED Job Tax Credit Eligibility - Program Participation

Targeted Job Tax Credit extends eligibility to numerous targeted groups:

a. Handicapped individual who is participating or has participated in a qualified VA or state vocational rehabilitation program.

b. Recipients of Supplemental security income (SSI) payments (Usually blind, aged or disabled).

c. Young people (18-24) from economically disadvantaged families.

d. Economically disadvantaged Vietnam-Era Veterans who served in the military (not reserves or National Guard) any time between August 5, 1964 through May 7, 1975.

e. Economically disadvantaged ex-offenders hired within 5 years of conviction of a felony or within 5 years of release.

f. Recipients of general assistance cash payments.

g. Involuntarily terminated (after December 30, 1980) CETA public service employees (Title IID and VI).

h. Recipients of aid to dependent children (AFDC payments).

i. Persons who are registered with the WIN (Work Incentive) program.

j. Economically disadvantaged young persons (16 through 19) in school and enrolled in an approved cooperative education program.

k. Economically disadvantaged youth between the ages of 16 and 18 who are hired between May 1 and September 15. The credit will be 85 percent of the first $3,000 in wages paid during the 90-day period. Qualified summer hires may not work for the employer prior to the 90-day period.



Effective October 1, 1981, Job Service became the only authorized vouchering/certification agent. Cooperative education students, however, are vouchered and certified by the school systems.

Managers are to diligently pursue TJTC participation by having all newly hired employees call ANNCO for screening of qualifications. Approximately 20% of your employees should qualify for tax credits. The telephone calls, toll-free ad takes but a few moments to complete. The toll-free numbers are:

WATTS: 1-800-531-5023
in Texas: 1-800-252-9994

The process is very easy:

Step 1 - allow employee to read the laminated explanation of ANNCO's TJTC Program.

Step 2 - have employee call ANNCO for the screening conversatoin.

Step 3 - If negligible, the employee will receive a sincere thank you for their cooperation.

If eligible, the employee will be instructed to visit the local Job Service office for certification. The employee will be sent a letter from ANNCO. The employee will take the letter to Job Service when applying for certification. The employee will be paid $10.00 when ANNCO receives the paper work from the Job Service office on the employee. ANNCO receives a fee from ShowBiz Pizza Place, Inc. for processing the eligible employee.

Management is to use additional methods to receive tax credit without the ANNCO fee such as:

A. Contacting Job Service and requesting TJTC eligible employees be sent to the Entertainment Centers as candidates for hiring.



B. Contacting the local high school guidance counselors or vocational directors for referral of career/cooperative education students who need employment. These employees should be eligible for tax credits. If they do not have the certification papers, the new employee is to call ANNCO and use their commission based service to obtain the certification.

If the employee is found to be eligible for program participation, he/she will be instructed to complete the Voucher (Form ETA8460) and the Applicant Characteristics Survey (Form 8469). The eligible employee will bring the first copy of the Voucher (Form 8468) back to the manager for completion. The manager is to use either ANNCO address, if this firm did the screening or ShowBiz Pizza Place, Inc., 4441 West Airport Freeway, Irving, TX 75062 if you or Job Service screened the employee. The IRS identification number is 48-0905805. Once the Voucher is complete, the Job Service office will send the Certification (Form 8470) to either ANNCO or the Entertainment Center.

If the Entertainment Center did not use ANNCO for the screening, the TJTC Employee Certification form is to be sent directly to Mize Houser with the payroll. Indicate on the certificate that the credit should not be given to ANNCO. If ANNCO was used for the screening, the completed certification form is to be sent to them. The Entertainment Centers receive labor credit for money reimbursed by the U.S. Government.



Policy # 120
Title: Insurance-Group Benefit Plan and Employee Classifications
Effective Date: 4-18-85

OPERATIONS MANUAL

SUBJECT: INSURANCE - GROUP BENEFIT PLAN AND EMPLOYEE CLASSIFICATIONS

POLICY:

ShowBiz Pizza Place, Inc. through Brock Hotel Corporation offers life, health, long term disability, dismemberment and dental insurance for all eligible employees. The Company shares in the expense of the insurance premiums on a scale described in the booklet entitled Your Group Insurance Plan. This booklet explains in detail specific information regarding the Company insurance plan. The health, life (including dismemberment and accidental death), disability, and dental insurances are a package available for Class I, II, and III employees; a medical and life insurance package is available for Class V and VI employees. These insurance coverages are not available separately.

SUBJECT: EMPLOYEE CLASSIFICATION FOR BENEFIT PURPOSES

POLICY:

All employees are divided into six separate classes for benefit purposes.

DESCRIPTION OF CLASSES:

Class I — Corporate Home Office Department Heads/Directorships and Regional & District Management.

Class II — Entertainment Center Managers, and other corporate staff management.

Class III — Entertainment Center Assistant Managers, Electronic Specialists, and Installation Team Members.

Class IV — Entertainment Center non-management normally scheduled for less than forty (40) hours a week and non-management averaging more than forty hours per week who have not completed their 90 day probationary period.

Class V — Corporate Home Office non-exempt personnel-normally scheduled for forty (40) hours or more per week, work at least thirty-five (35) hours a week, and who have successfully completed his/her 90-day probationary period.

Class VI — Entertainment Center non-management normally scheduled for forty (40) or more hours a week, work at least 35 hours a week, and who have successfully completed their 90 day probationary period.



FULL-TIME EMPLOYEES DEFINED:

Any employee who is regularly scheduled to work forty (40) hours or more each week is considered a full-time employee. Class I, Class II, Class III, Class V, and Class VI employees are of full-time status.

If an employee works less than thirty five (35) hours per week for twelve consecutive weeks (or six pay periods), the employee will be ineligible for full time status or benefits. The management team at each entertainment center is responsible for correctly classifying full and part time employees.

ELIGIBILITY:

1. Employees in Class I, Class II, and Class III are eligible to participate in all insurance benefits. There is an initial thirty (30) day period to enroll. Thereafter, the application will be subject to an evaluation of good health.

2. Employees in Classes V and VI who are full time employees, working a minimum of 35 hours a week, are eligible for life and health insurance benefits.*

   *There is a 90 day probation period after which a thirty (30) day sign up period begins. Thereafter, the application will be subject to an evaluation of good health.

EFFECTIVE DATE:

1. The effective date for employees in Class I, Class II, or Class III is the first day of employment. (Enrollment cards must be on file in the Home Office).

2. The effective date for employees in Classes V and VI is the date of that payroll during which the enrollment card is received after satisfactory completion of the probationary period (Enrollment cards must be on file at the Home Office).



TYPES OF INSURANCE:

1. Life and Accidental Death

   a. Employees in Class I are eligible for $100,000 worth of life insurance.

   b. Employees in Class II are eligible for $50,000 worth of life insurance.

   c. Employees in Class III are eligible for $25,000 worth of life insurance.

   d. Employees in Class V are eligible for $10,000 worth of life insurance.

   e. Employees in Class VI are eligible for $5,000 worth of life insurance.

   f. All policies contain a Double Indemnity Clause in the event of an accidental death.

2. Disability Insurance

   This insurance plan is offered to employees in Class I, Class II, and Class III. It provides 60% of one's income to $3,000 maximum per month to age 65. (See insurance manual for additional information).

3. Health Insurance

   Major Medical Plan:
   This insurance is offered to employees in Class I, II, III, V and VI. Details of the plan are found in the benefit insurance information pamphlet available through the Human Resources Department.

4. Dental Insurance

   Dental insurance is offered to Class I, Class II, and Class III employees. This insurance carries no deductible and covers up to $1500 of covered expenses per calendar year per individual insured. Details of this plan are found in the benefit insurance information pamphlet available through the Human Resources Department.



5. Company contribution of insurance premiums

   a. For Class I, Class II, and Class III employees, the Company contributes 50% of the insurance premium the first five years of plan enrollment, 75% of the insurance premium the second five years of plan enrollment, and 100% of the insurance premium for the employee, thereafter.

   b. For Class V and VI employees, the Company contributes 50% of the insurance premium for the employee only the first three years of plan enrollment, 75% of the insurance premium for the employee only the second three years of plan enrollment, and 100% of the insurance premium for the employee only after six years of employment. Class V and VI employees are responsible for the full additional amount for family coverage.

INSURANCE TERMINATION:

Insurance coverage terminates on the last day of employment unless arrangements are made with the Insurance Adminstrator to independently maintain premium payments.

INSURANCE FOR TERMINATING EMPLOYEES:

ShowBiz Pizza Place, Inc. will inform all employees enrolled in the insurance program who are terminating employment with ShowBiz Pizza Place, Inc. of the right to continue their group medical benefits. The insurance poster describing this procedure is to be posted with the required poster package in the employee break area.

If the terminating employee wishes to continue benefits, they are to contact the Human Resources Office - Benefit Insurance Administration and obtain the premium rate. The employee will be responsible for the entire premium which must be paid to the Home Office at the first of every month.

QUESTIONS:

All questions relating to the group insurance plan are to be forwarded to the Benefit Insurance Administrator, not the Home Office. Questions relating specifically to claims may be directed to the carrier's claim office. The toll free number is 800-892-2449 in Missouri, and 800-821-2135 in all other states.



OPERATIONS MANUAL

SUBJECT: INTERN PROGRAM

POLICY:

The Intern Program has been developed to bring qualified hourly employees with a desire to grow with ShowBiz Pizza Place, Inc. up through the ranks to a position in management.

PROCEDURE:

The procedure for a non-management employee to enter the Intern Program is as follows:

1. All positions for intern must be posted on the bulletin board for 2 weeks prior to initiation of the process as monitored by the Human Resources Department. The posting will read as follows:

   NOTICE: POSITION ANNOUNCEMENT
   INTERN

   Aplications are now being accepted for a management trainee-intern in this Entertainment Center.

   Applicants should:

   1. Be of legal age in the state.
   2. Be high school graduate or equivalent.
   3. Be able to work night and day shifts.
   4. Have completed the 90 day probationary period.
   5. Have been a successful team leader for three months.

   Please ask for an application from your manager or call the Human Resources Office at (214) 258-8507. The successful candidate must competitively excel in all phases of the established management hiring requirements of ShowBiz Pizza Place, Inc.

   Applications will be accepted for two weeks or until__________.

2. The Manager will forward the application to the ShowBiz Pizza Place, Inc. Human Resources Department with approval by both the Manager and the District Manager.

3. The Human Resources Department will process the application. If the candidate meets the qualifications, the employee will be notified as to his/her starting date.

INTERN QUALIFICATIONS:

The candidate must meet or exceed the following criteria:

1. 18 years or older.
2. Have a high school degree or equivalent.
3. Be work/career oriented.
4. Have no criminal felony record. Be financially stable with good character and no past problems which could impair his/her performance or trust.
5. Able to work both day and night shifts.
6. Completed the ninety day probationary period.
7. Been a successful team leader for a minimum of three months.

PAYROLL:

The intern will be paid through the ShowBiz Pizza Place, Inc. Entertainment Center's payroll system where they are working. The hours are to be recorded as on a normal payroll and coded to the 060701 Intern Account.

PROGRAM OUTLINE

The Intern Program is a self paced learner controlled program. This means that the list of accomplishment areas are to be completed at the individuals own speed. Each accomplishment area is to be evaluated on both job knowledge and job skill by the intern and his/her supervisor.

INTERN PROGRAM

Understand Program

COMPANY

History
Organization
Benefits

RESTAURANT

Organization
Policies and Procedures

EQUIPMENT USAGE & MAINTENANCE

Scales
Floss Machine
Time Clock
Ice Cream Machine
Fire Extinguishers
Ice Tea Machine
Coffee Machine
Ice Machine
Cup Dispenser
Hot Water Heater



Store Layout
Menu
Sales Peaks and Valleys
Competition

SANITATION

Basic Sanitation
Local Health Regulations
Personal Hygiene
Exterior Sanitation
Interior Sanitation
Equipment Sanitation

EQUIPMENT USAGE & MAINTENANCE

Dough Mixer
Dough Roller
Pizza Oven
HVAC Systems
Meat Slicer
Refrigeration Systems
Food Warmer
Soda Heads and Lines
K-Way System
Oven Hood
Grease Trap
Animation Compressor
Coin Sorter
Vacuum
Register
Call System

SALAD BAR MANAGEMENT

Salad Bar Management

GUEST RELATIONS & SERVICE

Philosophy of Service
Merchandise Service Sequence
Order Area Service Sequence
Beverage Service Sequence
Dining Room Sequence
Playroom Service

PURCHASING

Order Procedure

FOOD PREPARATION

Pizza
Sandwiches
Salad

FOOD COOKING

Pizza
Sandwiches

BEVERAGES PREPARED & SERVED

Beer
Soda
Ice Cream
Coffee, Tea & Milk

LABOR CONTROLS

Sales Per Man Hour
Weekly Schedules

CASH CONTROLS

Drawer Setup
Drawer Balancing
Credit Card Procedures
Deposit Procedures

REGISTER PROCEDURES

Keyboard Operations
Management Report Functions
Program Change Functions



Order Log Usage
Par Stocks
Product Specifications

RECEIVING

Receiving Procedure
Delivery Inspection
Product Specifications
Dry Storage
Refrigerated Storage
Freezer Storage

DAILY RECORD KEEPING

Bank Deposits
Bill Changer Report
Weekly Sales and Deposit Summary
Cashier Accountability
Weekly Deposit/Sales Summary
Cashier's Log
Game Collection Summary
Token Control Log
Bill Changer Test Acct. Log
Invoice Transmittal Summary
Cash Purchase Report
Labor Report
Safe Audit

GAME MANAGEMENT

Skeeball Procedures
Coin Mech Adjustment
Cleaning
Troubleshooting

MARKETING & LOCAL PROMOTION

Corporate Responsibilities
Restaurant Responsibilities
BILLY BOB
Management Bonus System

INVENTORY

Food & Bev. Inventory Taking
Paper Inventory Taking
Merchandise Inventory
Inventory Extension
Cost % Calculations
P & L Statement
General Ledger
Justification Report

SAFETY & OSHA

Emergency Procedures
-Fire
-Burglary
-Armed Robbery
-Personal Injury
-Natural Disaster
Safety Committee
OSHA
Accident Documentation Procedure
Insurance Procedures
Store Safety Inspection

SECURITY

External Procedures
Internal Procedures
Security Inspection

ANIMATION

Computer Operation
System Troubleshooting
Character Maintenance



OPERATIONS MANUAL

PERSONNEL

Recruitment
Interviewing
Hiring
Orientation
Termination

PAYROLL PROCEDURES

Hire-in Procedures
Preparation Procedures
Termination

PROMOTIONS

The training department will monitor successful completion of the intern program. The Manager will notify the Human Resources Office of the successful completion of the Internship program. The Human Resources Department will then determine possible promotion based upon minimum duration in the intern program, success in established criteria and management needs.



OPERATIONS MANUAL

SUBJECT: EMPLOYEE INTERRELATIONSHIPS

POLICY:

All employee interrelationships are to be conducive to the positive performance of each and every employee of ShowBiz Pizza Place, Inc. Any interaction or communication by management to entertainment center employees is to be in a professional tone. Management fraternizing with employees in a non-business environment or a non-company sponsored activity is prohibited.

All ShowBiz Pizza Place, Inc. approved entertainment center sponsored parties on or off company premises will be conducted under the written guidelines issued by the Director of Operations.

Use of facilities, games or equipment before or after hours for non-business purpose is prohibited.



Policy # 123
Title: Job Descriptions

Effective Date: 4-18-85

OPERATIONS MANUAL

SUBJECT: JOB DESCRIPTIONS

POLICY:

All personnel will function under specific job descriptions.

1. Upon creation of a new position, a job description will be written within the first two months of that position.

2. The job descriptions will be reviewed annually by the Human Resources Department of ShowBiz Pizza Place, Inc. in conjunction with the relative department staff.



OPERATIONS MANUAL

Policy # 124
Title: Jury Duty

Effective Date: 4-18-85

SUBJECT: JURY DUTY

POLICY:

Employees asked to serve on jury duty will be granted a leave of absence for the time served. The employee will be paid the difference between the fee for jury duty and the regular rate of pay for time spent on jury duty coinciding with the employee's regular workday. The employee is to present documentation of the request to serve on a jury and of the compensation paid. The manager will determine the workweek rate per calculation of sick leave or vacation pay (average of pay for past six (6) pay periods - 12 weeks). The manager will deduct the amount paid to the employee for jury duty using the salary receipt form (SPP 49) and enter the amount received from jury duty on the payroll input sheet.



Policy # 125
Title: Maternity Leave

Effective Date: 4-18-85

OPERATIONS MANUAL

SUBJECT: MATERNITY LEAVE

POLICY:

ShowBiz Pizza Place, Inc. will grant a leave of absence for pregnancy. A pregnant employee may continue to work as long as she desires with the written permission of her physician. She may return to work when the doctor approves and provides ShowBiz Pizza Place, Inc. a written statement.

An employee is eligible for maternity leave at time of employment.

As with all types of leaves of absences, benefits are not paid during the leave. If the employee desires insurance coverage to continue benefits during her absence, she must submit a written Leave of Absence form with a request for continuation of group benefits. The employee is to contact the benefit insurance administrator for the appropriate form.



OPERATIONS MANUAL

Policy # 126
Title: Meal Discounts

Effective Date: 4-18-85

SUBJECT: MEAL DISCOUNTS

POLICY:

All employees receive a 50% discount on one (1) meal during each normal shift of at least six hours. Management receives free meals while on duty. Discounted meals are to be eaten by the employee only.

Employee meals can be any one of the following:

a) Mini pizza with no more than two additional toppings and a small soda.

b) Sandwich and a small soda, or

c) Salad and a small soda.



OPERATIONS MANUAL

Policy # 127
Title: Meal Periods

Effective Date: 4-18-85

SUBJECT: MEAL PERIODS

POLICY:

*All non-management employees working longer than a six (6) hour shift will be given a meal period of thirty (30) minutes by the Manager as business demands permit.

*Nothing in the federal statutes requires an employee to be given a meal period. The above employee meal period policy is designed to follow most state/local labor legislation; however, where state/locality dictates a more stringent policy, it will be followed.

PROCEDURE:

1. Lunch periods will not exceed thirty (30) minutes in duration, however, the full thirty minutes should be taken.

2. Lunch periods will be taken in the Employee Break Area. Employees may leave the premises during the lunch period with management approval. However, no food from other restaurants may be brought into the entertainment center.

3. The employee must clock "out" and "in" for meal periods. Employees are not paid during their lunch period.

4. All breaks should be taken in the designated employee break area. This is the only designated area where employees are allowed to eat, drink, smoke, sit down, and be in partial uniform (hats removed) in the entertainment center.



Policy # 128
Title: Meetings - Required Pay
Effective Date: 4-18-85

OPERATIONS MANUAL

SUBJECT: MEETINGS - REQUIRED PAY

POLICY:

Employees are to be compensated for time spent in required meetings.

PROCEDURE:

1. Time spent by employees in required meetings will be recorded as time worked.

2. This policy applies to all required training or educational sessions.



Policy # 129
Title: Military Duty

Effective Date: 4-18-85

OPERATIONS MANUAL

SUBJECT: MILITARY DUTY

POLICY:

Employees obligated to serve in the military will be granted a leave of absence for the time served. Such time off will not exceed four and one half years except when such military service is extended by the government.

The employee is to present documentation of the request to serve and complete a Leave of Absence form. The employee will not be paid by ShowBiz Pizza Place, Inc. for time spent serving military duty.

An employee on military leave of absence must apply for re-employment within 120 days of military discharge. There are certain legislative provisions which may give special reinstatement priviledges. These will be reviewed upon request for reinstatement.



Policy # 130
Title: Minors

Effective Date: 4-18-85

SUBJECT: MINORS

POLICY:

The policy on Minors may be found in the POLICY MANUAL, #305.



OPERATIONS MANUAL

Policy # 131
Title: Open Door Policy

Effective Date: 4-18-85

SUBJECT: OPEN DOOR POLICY

POLICY:

All employees have free and open channels of communication with no fear of retribution in order to solve their problems or receive a response to their complaints. Employees are encouraged to use the Open Door Policy so that problems can be minimized and questions resolved in a timely manner.

The Open Door Policy States:

OPEN DOOR POLICY

As an employee of SHOWBIZ PIZZA PLACE, you should feel free to express yourself to your Manager on any matter relating to your job. If you feel that your job might be done better or in a different way, or if a problem develops in connection with your work, feel free to talk with your Manager.

In some instances you may want to speak to the District Manager, and after going to your Manager first, you may take any problem or suggestion to your District Manager.

If, after a thorough discussion with both of these individuals, you still feel the issue has not been resolved, then the entire matter can continue up through the ranks of the Home Office.

Or, you are also welcome to write or talk directly to a representative of the Home Office.

The address is: SHOWBIZ PIZZA PLACE
4441 W. Airport Freeway
Irving, TX 75062
(214) 258-8507

Address your letters to the Operations or Human Resources Departments. If you wish to confidentially confidentially discuss concerns, you are welcome to call collect (214) 659-0442. This rings directly into the Human Resources Department.



OPERATIONS MANUAL

SUBJECT: PAY IN LIEU OF NOTICE TO TERMINATING MANAGEMENT EMPLOYEES

POLICY:

The corporation reserves the right to grant pay in lieu of notice to management employees who resign and the corporation chooses not to have them work until the effective date of termination.

PROCEDURE:

1. A member of management who is involuntarily terminated shall not be eligible for pay in lieu of notice.

2. Pay in lieu of notice will only be granted when a member of management gives notice and the company chooses not to have them work until the effective date of the resignation. This will be done on an exception basis only and must be approved by the district manager, regional manager, and human resources representative.

3. The amount of pay in lieu of notice shall be based on the two week notice management employees (including electronic specialists) are expected to give the corporation per policy.



Policy # 135
Title: Posintgs - Required

Effective Date: 4-18-85

OPERATIONS MANUAL

SUBJECT: REQUIRED POSTINGS

POLICY:

The following list of required postings will be found in all company operated entertainment centers.

PROCEDURE:

1. All required postings are to be placed on a bulletin board in the employee break area and are to be covered with plexiglass.

2. Required postings include:

    1. Open Door Policy
    2. Equal Employment Opportunity Poster with Age Statement - EEO Poster 370-331
    3. OSHA Job Safety Poster
    4. Federal Minimum Wage Poster
    5. Employee Conduct Rules
    6. Theft Policy
    7. Gratuities Policy
    8. Group Insurance Right to Convert Statement
    9. CPR Poster
    10. First Aid Poster
    11. Other posters as may be required by state or local ordinance.



Policy # 136
Title: Probationary - Introductory Period
Effective Date: 4-18-85

OPERATIONS MANUAL

SUBJECT: PROBATIONARY - INTRODUCTORY PERIOD

POLICY:

All employees will be subject to an introductory period of 90 days.

PROCEDURE:

1. During the introductory period, employees can be terminated after they have been given a written warning, and a reasonable length of time has elapsed to allow for improvement, with continued substandard performance documented. The termination action must be approved by the District Manager before it is discussed with the employee.

2. For a major Class A infraction of the employee conduct rules (i.e. theft, intoxication, possession of a controlled substance, or insubordination) employees may be terminated without prior written warning. The details of the violation must be documented with the employee's signature and witnesses named. This must be placed in the employee's personnel envelope. The termination must be approved by the District Manager before it is discussed with the employee.

3. The introductory period may be extended by thirty days by written notification presented to the employee with reasons cited for the extension.



Policy # 137
Title: Orientation Procedure
Effective Date: 4-18-85

OPERATIONS MANUAL

SUBJECT: ORIENTATION PROCEDURE

POLICY:

Management is to provide an orientation session for each new employee. The purpose of this session is to insure that a newly hired employee has all the information needed before beginning work.

PROCEDURE:

1. When the employee arrives for the orientation session, he/she is to be welcomed as a member of the SPP team.

2. Show non-exempt employee how to use the time recording system. (See Time Recording Procedure). Have the employee "clock in" and "clock out" for the orientation session as they are to be paid for all time spent in training.

3. The Orientation Checklist, found on the Personnel Envelope provides the manditory outline for use during the field orientation session. Fill out the Personnel Envelope and all forms indicated as required on the Personnel Envelope. Be certain the employee signs the Personnel Envelope indicating receipt of the orientation materials and knowledge of his/her responsibilities to perform according to the standards set forth by the corporation.

4. Uniforms are issued during the orientation session. Have the employee sign the Uniform Agreement receipt. Do not require a deposit or mandate that the employee purchase uniform items. These are provided by the corporation and are expected to be returned in reasonable condition upon termination.

5. Upon completion of the orientation checklist, show the employee around and introduce him/her to fellow workers.

6. The employee is to be trained for the position he/she is to perform using job aid as guidance in training. The new employee is to work under supervision until the assignment has been mastered per job aid criteria standards.



Policy # 138
Title: Overtime Pay

Effective Date: 4-18-85

OPERATIONS MANUAL

SUBJECT: OVERTIME PAY

POLICY:

Overtime will be paid to all non-management employees for hours in excess of forty (40) per work week. It is the policy of ShowBiz Pizza Place, Inc. not to work employees overtime. However, in an emergency, one may be asked to work overtime for which the employee will be paid one and one-half times their regular hourly pay.

EXPLANATION:

1. All overtime hours must be approved by the individual's supervisor prior to working the overtime.

2. As to early and late time recording, the following from a U.S. Department of Labor directive is to be abided by all entertainment centers:

   > "In those cases where time clocks are used, employees who voluntarily come in before their regular starting time or remain after their closing time, do not have to be paid for such periods provided of course, that they do not engage in work. Their early or late clock punching may be disregarded. Minor differences between the clock records and actual hours cannot ordinarily be avoided, but major discrepancies should be discouraged since they raise a doubt as to the accuracy of the records of the hours actually worked."

   Therefore, it is the responsibility of the Manager/Supervisor to see that early or late clocking periods are voluntary and do not constitute hours worked.

3. Non-exempt employees must be paid for all hours worked. Even if the employees volunteer to work "off the clock", they must be paid. This is not permissable.

NOTE: State and local legislation may dictate a change in the ShowBiz Pizza Place, Inc. Overtime Pay policy. If a state law differs from the Federal law, whichever requires the higher overtime pay will be observed.

See Wage and Hour Laws or contact the Human Resources Department.



Policy # 139
Title: Pay - Work Week, Pay Period, Pay Day
Effective Date: 4-18-85

OPERATIONS MANUAL

SUBJECT: Pay - Work Week, Pay Period, Pay Day

POLICY:

The official ShowBiz Pizza Place, Inc. work week is from Saturday through Friday. Pay checks are generated every other week and will include wages for the preceeding two work weeks. Payday is every other Saturday. Since there is a one-week delay between generating and distributing paychecks, the most recent work week is not included on the paycheck. Checks received prior to Saturday are not to be distributed before the Saturday payday.



Policy # 140
Title: Record Retention
Gov't Regulation Compliance
Effective Date: 4-18-85

OPERATIONS MANUAL

SUBJECT: RECORD RETENTION GOVERNMENT REGULATION COMPLIANCE

POLICY:

All Entertainment Center records will be retained in compliance with national and local government regulations.

PROCEDURE:

1. Personnel - All personnel and employment records (i.e. application forms, promotion, detention, transfer, layoff, and termination information) must be retained for two years.

   a. Application forms of those not hired are to be retained. These are to be boxed up annually and retained in a secure place on the premises for two years. These cannot be discarded without authorization from the District Manager or Director of Human Resources.

   b. The employee envelope with contents of terminated employees are to be forwarded to the Home Office Personnel Archives at termination and upon receipt of the final terminating SPP-52, Personell Action Form.

   c. Pay records must be retained for three years. The entertainment centers are to box up payroll records with time cards annually and keep them for a period of three years. These cannot be discarded without authorization from the District Manager or Director of Human Resources.

2. EEO - 1 Annual Report and Record Keeping Procedures - Once a year between December and March, MHMK will complete the EEO - 1 report on ShowBiz Pizza Place, Inc. enterainment centers. MHMK will submit these forms to the U.S. Department of Labor in compliance with EEOC and the Office of Federal Contract Compliance Programs.

3. Fatalities & Multiple Hospitalization Accidents - Accidents resulting in one or more deaths or accidents resulting in the hospitalization of five or more employees must be reported within 48 hours. The report may be made either by phone or in writing to the Area Director of OSHA.



Retention of OSHA Records - All records of accidents must remain in the establishment for five years after the year to which they relate.

See Safety Section, Restaurant Procedures Manual for more information on OSHA regulation compliance.

State laws will prevail if longer retention is required.

Please refer to the Accounting Manual Procedure #206 for information on financial record retention.



Policy # 141
Title: Reference Checks

Effective Date: 4-18-85

OPERATIONS MANUAL

SUBJECT: REFERENCE CHECKS - SERVICE LETTERS

POLICY:

ShowBiz Pizza Place, Inc. will not provide reference information for former or present employees other than employment dates.

ShowBiz Pizza Place, Inc. will conduct reference checks from past employers of all candidates for management and non-management positions. These checks will focus on the past ten years of employment. Criminal record and bankrupcy checks will also be completed on all management candidates. Individuals with records which could impair their performance or trust will not be hired. Terminated ShowBiz Pizza Place, Inc. employees which have been coded as ineligible for rehire are not to be rehired.

PROCEDURE:

1. All requests for reference checks or employment verification are to be forwarded to the Human Resources Office.

2. Under no circumstances should an individual give out negative information that could be detrimental to an employee or former employee.

3. Only dates of employment are verified in reference inquiries.

4. Service letters - Ex-employees requesting a "service" letter confirming that he or she was employed by the corporation and setting forth the circumstances of termination, will be provided after a written request by the ex-employee is received by the Human Resources Department.



OPERATIONS MANUAL

Policy # 142
Title: Relocation Guideline

Effective Date: 4-18-85

SUBJECT: RELOCATION GUIDELINES

POLICY:

ShowBiz Pizza Place, Inc. Human Resources will make arrangements for all moves with either a national mover or a truck rental company.

PROCEDURE:

To be eligible for a move, ShowBiz Pizza Place must request that the employee move to an agreed upon location. ShowBiz Pizza Place will receive bids from a local truck rental company and national mover, and will decide which of these companies will move the employee. ShowBiz Pizza Place will use such movers as Ryder, North American, etc. No move will be authorized for less than 45 miles.

DESCRIPTION OF MOVING COMPANY CHARGES:

NORTH AMERICAN MOVING PROCEDURES:

1. Rates: All long distance moves are figured on a mileage to weight basis (per hundred pounds per mile) with a 500 pound minimum.

2. Storage: Storage charges are not authorized moving expenses as provided by ShowBiz Pizza Place, Inc.

3. Movers are authorized to charge ShowBiz Pizza Place the following:

   A. Packing: Complete packing service, including cost of cartons and unpacking as required.
   B. Insurance Coverage: Depreciated value protection - Your goods are insured by the pound. ($1.25 multiplied by the weight of the shipment is the maximum liability the company will accept on the shipment.) If the employee would like to purchase additional or optional insurance, he/she is to arrange for such through the North American consultant. This must also be discussed with the human resources representative arranging the move. The difference of such cost will be charged to the employee.
   C. Installation and Disconnection of Major Appliances: ShowBiz Pizza Place, Inc. will assume the normal cost of service for moving and installing typical or normal household appliances which have been moved. These include refrigerators (not including icemakers), freezers, washers, dryers and stoves. Not included are the costs of rewiring of home or portions thereof to modify voltage, the bringing in of gas lines or other energy lines, or the modification of dwellings to install venting appliances.



DESCRIPTION OF MOVING COMPANY CHARGES: (Cont'd)

C. Installation and Disconnection of Major Appliances: (Cont'd) The intent of this paragraph is to provide the disconnecting, preparing for shipment, and reconnecting of appliances, but not for structural changes to the new home or modifications thereto.
D. Full Weight Allowance: This includes normal household moveable items. Not included are such items as cars, boats, trailers, firewood, etc.
E. ShowBiz Pizza Place, Inc. will not pay for the transportation of animals, farm equipment or other non-household goods.
F. ShowBiz Pizza Place, Inc. will not assume the cost of: exclusive use of van or expedited service; house cleaning, cleaning of carpets, drapes or related items; assembly or disassembly of pool tables, children's play houses, patio tables, swimming pools, or items of similar nature; television antenna removal or installation; extra labor or waiting time; and pick up or delivery to or from locations other than the residence.
G. The carrier is prohibited from transporting perishables, frozen food, plants or shrubbery, combustible items and paint, or items of extra ordinary value (jewelry, heirlooms, furs, collectibles, liquor, etc.) If antiques are part of your household, these should be appraised for their replacement value.

DEPARTURE:

1. As soon as an estimated date of departure is determined, Human Resources is to be informed and action will be initiated with the consultant of North American. At no time should the employee contact the local moving company.

2. The local moving company will contact the employee to plan the move.

3. Read carefully all literature the moving company provides.

4. Packing of all items must be supervised.

5. Certain valuables such as jewelry, cash, stocks and bonds are to be separated and moved personally. The moving company will not assume liability on these items.

6. Check the inventory sheets to verify conditions and notations by the carrier.



ARRIVAL:

1. When the moving van arrives, the employee is to supervise the unloading of possessions.

2. Under no circumstances is the employee to authorize loading, unloading, or packing during anytime other than normal business hours, since overtime rates would be charged. Overtime charges are not authorized.

3. The employee is to sign an inventory slip to verify the delivery. Discrepancies must be noted on both the driver's copy and employee's copy of the form. The driver should also sign the form.

4. If after unpacking, breakage or other problems are discovered, written claims are to be filed immediately with the moving company. If satisfaction from the mover is not obtained in a reasonable amount of time, please contact a Human Resources Representative.

RYDER:

For a move with Ryder, the employee will visit the local Ryder dealer. The employee will find out:

1. Size of truck needed.
2. Authorized mileage.
3. Date the truck is needed.
4. Any other necessities not mentioned above.
5. DO NOT MAKE ANY RESERVATIONS AT THIS TIME.

The employee will then contact a Human Resources Representative, who in turn will make all other arrangements. This employee is not to notify the local representative after this time. HUMAN RESOURCES WILL TAKE CARE OF FURTHER ARRANGEMENTS.

Insurance - The basic minimal coverage will be paid by ShowBiz Pizza Place, Inc. when the employee moves with Ryder. The employee may purchase additional insurance through Ryder at an approximate rate of $7.00 per day and includes a $1000 deductible. The employee should forward a check to ShowBiz Pizza Place, Inc. for this additional charge.

ADDITIONAL EXPENSES:

1. Transportation: 25¢ per mile for one car; cost of food and incidentals up to per diem at a maximum of $15 per adult and $10 for each dependent child; and lodging enroute. Receipts are required for all expenses and must be submitted on an expense report.



OPERATIONS MANUAL

ADDITIONAL EXPENSES: (Cont'd)

2. Interim Living Expenses: An employee may be authorized to live in a Holiday Inn or comparible lodging for a period of no longer than 14 days. During your stay you may expense your meals and half your family's meals to your room.

3. House-Hunting Trip: A three day trip can be authorized by the appropriate Human Resources Representative for the employee and spouse to find housing. Expenses such as transportation, food, lodging and the cost of a babysitter can be authorized. This must be approved by a Human Resources Representative before making the trip.

MOVING VOUCHER:

The employee will review all contracted moving bills for accuracy. All expenses must be placed on an Expense Report form with receipts attached.

MOVE COMMITMENTS:

A Relocation Request form must be signed by the employee prior to his/her move. This form lists expenses paid by the company to your or third party in your behalf. Many of these benefits will be reported on your W-2 as taxable income, and may be deducted by you when you itemize your deductions on your long tax return form. The company will incur moving expenses over a twelve (12) month period as long as you remain with the company. If at any time during this twelve (12) month period you cease employment with the corporation for any reason whatsoever (and whether voluntarily or involuntarily) ShowBiz will require full payment immediately. This can be deducted from the final paycheck.

Policy # 143
Title: Management Reprimand/Termination
Effective Date: 4-18-85



OPERATIONS MANUAL

SUBJECT: REPRIMAND/TERMINATION - MANAGEMENT

POLICY:

The corporation sets guidelines and procedures for addressing infraction of company policy and corrective disciplinary action.

PROCEDURE:

1. All matters regarding management conduct/performance are to be documented in writing by the District Manager and a copy of said written explanation/warning is to be forwarded to the Director of Human Resources and the Director of Operations. One management witness is to be present at the time of counseling. All those involved must sign the written reprimand (counselor, counselee and witness). If the employee requests a witness, he/she may have an employee of choice also be present for witnessing the reprimand. All employees witnessing the action are to sign the documentation of the counseling.

2. After a minimum of two written conduct performance write-ups in two months, a written plan of action may be designed by the two levels of management (with at least one being of the district manager's level). A copy of said plan is to be sent to the Human Resources office.

3. If the written plan of action is not satisfactorily completed, or if a management employee commits a major infraction of the rules warranting possible termination, the individual will be suspended without pay for a maximum of one week pending investigation.

   a. If it is determined that the employee is innocent of any wrongdoing, reinstatement with back pay is mandatory.

   b. If the employee did commit an infraction but the investigation shows that termination is not warranted, the employee may return to work with signed documentation of corrective action to be taken, but will not receive back pay.

   c. If the investigation substantiates wrongdoing and warrants termination based upon repeated offenses or severity of infraction, the employee will be terminated with no back pay. A written termination notice is to be signed by the employee, the supervisor, and one witness.

*Suspension without pay is not allowed in the state of California.



PROCEDURE: (Cont'd)

d. Should the investigation result in termination, the time spent on suspension will be without pay, and vacation or sick leave accrual will not be applied to this time.

4. The suspended employee's supervisor will present all details and substantiation for termination to the Director of Human Resources. For Corporate employees, the department supervisor and the Human Resources Department are to receive copies of the written documentation.

5. A decision on continued employment will be made with agreement by the supervisor/District Manager, and/or Director of Operations or Director of Human Resources.

6. All records on the terminated management employee are to be forwarded to the Human Resources Office. Be certain the final copy of the employee's SPP-52 Personnel Action Form, as returned from MHMK, is sent with this material. Upon notification of said termination, personnel needs will be assessed and the position will be filled. Payroll termination procedures are to be executed on the terminated employee. (See Payroll Procedures.)

7. Layoff: Employees terminated because of reduction of business should be separated on the basis of seniority of documented performance. Prior warning of layoff is not required.

8. Voluntary Termination: Management employees and electronic specialists are expected to give two weeks written notice of intent to terminate employment.

9. For Field Management, the Management Changeover Form, SPP-72 is to be completed on all management changes at the restaurant level. The manager and district manager will complete and sign form SPP-72.

   Copies will be given to arriving, departing, and district managers. One copy is to be forwarded to the Director of Operations. The form must be completed and signed before the transfer of Entertainment Center responsibility can be made.

   For instructions on key changes, refer to the procedures on Key Control in the Security Section of the <u>Confidential Operations Manual</u>.

EMPLOYEE REPRIMAND NOTICE

SHOWBIZ PIZZA PLACE

☐ 1ST WARNING ☐ 2ND WARNING ☐ TERMINATION

Date ____________________

Name ____________________ Hire Date ____________

Job Title ______________ Supervisor ______________

Date of Incident ______________ Time ____________

Witness ______________________________

Rule No. or Policy Violated (Explain Fully) ______________

____

____

____

Employee Explanation Concerning Incident ______________

____

____

____

Date of Prior Warning ______________________________

Rule No. or Policy Violated ______________________________

____

Comments ______________________________

____

____

____

I realize that any other violation of any rule by me will be cause for further disciplinary action.

______________________ Signature of Employee

______________________ Signature of Witness

______________________ Signature of Manager (or Authorized Representative)

STD-HART PTG.—SPP-19
WHITE COPY TO EMPLOYEE'S PERSONNEL ENVELOPE YELLOW COPY TO EMPLOYEE



OPEN DOOR POLICY

As an employee of SHOWBIZ PIZZA PLACE, you should feel free to express yourself to your Manager on any matter relating to your job. If you feel that your job might be done better or in a different way, or if a problem develops in connection with your work, feel free to talk with your Manager.

In some instances you may want to speak to the District Manager, and after going to your Manager first, you may take any problem or suggestion to your District Manager.

If, after a thorough discussion with both of these individuals, you still feel the issue has not been resolved, then the entire matter can continue up through the ranks of the Home Office.

Or, you are also welcome to write or talk directly to a representative of the Home Office.

The address is: SHOWBIZ PIZZA PLACE, INC.
4441 W. Airport Freeway
Irving, TX 75062
(214) 258-8507

Address your letters to the Operations, Human Resources or Security Department. If you wish to confidentially discuss security concerns, you are welcome to call collect (214) 659-0442.



OPERATIONS MANUAL

SUBJECT: REPRIMAND/TERMINATION - NON-MANAGEMENT

POLICY:

All employees are to abide by the ShowBiz Pizza Place, Inc. Rules of Conduct. Infractions will necessitate enforcement of the following reprimand/termination procedures.

PROCEDURE:

1. Cause for Immediate Termination:
   The commission of any one act listed in Section A of the Employee Conduct Rules is just cause for immediate termination. A detailed explanation of the reason(s) for termination is to be recorded on the Personnel Action Form, SPP-52.

2. Suspension:
   If the employee is suspected to have committed a serious infraction of the Class A conduct rules, or if the employer has two previous active reprimands on file for repeated policy violations, the manager may suspend the employee without pay pending the investigation and subsequent decision on continued employment.

   a. Suspensions will not exceed 7 days.

   b. Should the investigation result in a termination based upon severity of infraction or repeated offenses, the time spent on suspension will be without pay and may not apply toward accrual of vacation or sick leave benefits.

   c. Should the investigation prove the employee's innocence and so merit return to work, the employee will be reimbursed at his regular rate of pay for the period of suspension.

   d. Should the investigation reveal that the employee did commit an infraction, but the investigation shows that termination is not warranted due to lack of severity or repeated offenses, the employee may return to work with signed documentation of corrective action to be taken, but will not receive back pay.

3. Reprimands:
   Employees who commit any acts listed in Section B are subject to the "three step" warning/termination system. The procedure for handling the system is as follows:

*Suspension without pay is not allowed in the state of California.



OPERATIONS MANUAL

3. Reprimands (cont)

a. At the time the first warning is issued by the supervisor, another supervisor is to be present as a witness. The Employee Reprimand Form SPP-19 must be completed and at the conclusion of the warning, the employee is to be asked to sign the notice acknowledging the reprimand. Should the employee refuse to sign the form, it is to be so indicated on the line reserved for his/her signature. The employee is then to be provided with the yellow copy and the white copy of the reprimand is to be placed in the employee's personnel envelope.

b. A second warning is to be issued if the employee violates a rule within six months of the first warning. This warning is for any violation not necessarily a second violation of the same rule. The warning procedure is to be exactly as the first warning discussed above.

c. The third violation of any rule within six months of the initial warning normally involves termination. Before a decision on termination is made, the employee is to be suspended without pay for a maximum of one week (see #2 for guidelines on suspension). In such time the Supervisor is to review the facts with the District Manager or Department Head and a decision on termination is to be made. Proper substantiation and documentation must be on file before employee termination. If termination does result, specific reasons are to be recorded on the Personnel Action Form (SPP-52) and reprimand notice with appropriate signatures obtained.

d. Six months after the date of a written warning, the warning is absolved. In the case that there is a second warning after this first now absolved warning, the second warning becomes the first warning in a new series.

4. Voluntary Terminations:

Non-exempt staff members are to normally give one week written notice of intent to terminate employment. Reasons for the termination are to be indicated on the notice.

5. Lay Offs:

Employees terminated because of reduction in business are to be separated on the basis of seniority or documented performance. Prior warning of lay offs is not required.



EMPLOYEE TERMINATION REPORTING PROCEDURES

6. Non-Management Termination Procedures:

   a. When a termination, reduction in hours or layoff occurs:

      1. Fill out the Personnel Action Form immediately. Do not wait until preparing payroll.

      2. Provide complete details on the reason for separation pertaining to resignations and discharges with cause. For all separations, list any terminal payments made (holiday, vacation, sick pay, severence pay and/or dismissal pay). Fully complete the explanation section of the Personnel Action Form along with unemployment code, rehire code and last day worked (paid through).

      3. Send the Green copy, the same day if possible, to the local Gibbens Company District Office.

   b. Labor Disputes: In the event of a work stoppage due to a labor dispute, please notify The Gibbens Company District Office immediately. Please furnish the beginning date of the dispute and the issues involved.

   c. Lay Offs: In the event of a reduction in the work force involving multiple employees, please notify The Gibbens Company District Office immediately. Please furnish the name, social security number, last day worked, expected date of return and separation payments for each employee involved.

   d. Refusal of re-employment: If an offer of work after lay off is refused by a former employee, inform the Gibbens Company District Office by telephone the same day the refusal occurs. Please furnish the type of work, hours of employment, rate of pay offered, date on which employment would have started, and the reason for the refusal.

   e. Salary Receipt (SPP-49): If an employee is paid outside the normal biweekly payroll procedures, this form is to be fully completed and distributed as per instructions on the form. For questions on deductions either call the Human Resources office or MHMK payroll department.

   f. Personnel Envelope: After the terminated BHC-52 form is returned from MHMK, filed in the envelope, and all pertinent information is recorded on the outside, the envelope itself, with all inserts, is to be forwarded to the Personnel Archives of the Home Office. The location may retain the employee's availability card.

g. Final Paycheck: The following must be written or stamped on all final paychecks:

> "Endorsement of this check by the payee shall constitute a full release of all claims whatsoever by the payee now or hereafter arising against the payor, its parent company, subsidiaries, and affiliates, as well as all officers, directors, and employees there of."

h. See Payroll Procedures for additional information on terminating employees from the payroll.



Policy # 145
Title: Salary Advances

Effective Date: 4-18-85

OPERATIONS MANUAL

SUBJECT: SALARY ADVANCES - PAYMENTS ON OTHER THAN REGULAR PAY DATES

POLICY:

ShowBiz Pizza Place, Inc. does not allow salary advances. All employees are to receive due compensation on the scheduled payday only. Exceptions to this policy are:

1. An employee is shorted on a previous paycheck and cannot wait until the next regular pay date.
2. If an employee is terminated at the Manager's request, local legislation dictate will be followed.

PROCEDURE:

1. The Manager is to pay the employee for "shorted" payroll earnings through entertainment center cash funds using a salary receipt.
2. If required by state legislation, terminated employees will be paid by restaurant cash funds using the salary receipt form.
3. The state/local tax rate sheets and federal Circular E tax rate form is to be used for computing employee wages.
4. A Salary Receipt (Form SPP-49) must be completed in detail. This form is self-explanatory and the distribution is per instructions printed on the bottom of each of the four copies.
5. If the termination is by the employee's request, payment will be made on the next regular pay date unless state law or contract dictates otherwise.

   NOTE: State and local legislation may dictate a change in the SPP, Inc. policy on payment on other than regular pay dates.



OPERATIONS MANUAL

Policy # 146
Title: Salary Confidentiality
Effective Date: 4-18-85

SUBJECT: SALARY CONFIDENTIALITY

POLICY:

It is the policy of ShowBiz Pizza Place, Inc. that all information related to an individual's salary remain completely confidential.

DESCRIPTIONS:

Salary and salary increases are to be discussed only by an individual and the individual's supervisor. Under no circumstances is an individual to discuss his/her salary or salary increases with anyone other than his/her immediate supervisor or individuals directly above the supervisor.



Procedure # 147
Title: Service Awards

Effective Date: 4-18-85

OPERATIONS MANUAL

SUBJECT: SERVICE AWARDS

POLICY:

The corporation will formally acknowledge employees for years of continuous service.

PROCEDURE:

1. The Human Resources Department will annually conduct surveys to determine employees eligible for service awards.
2. Service awards, including annual certificates, will be issued through the Human Resources department.
3. Service awards will be forwarded to the employees' immediate supervisor for distribution and congratulations.
4. Service awards are normally distributed in early December for presentation during the Christmas activities or at an appropriate employee meeting.



Policy # 148
Title: Sick Leave

Effective Date: 4-18-85

OPERATIONS MANUAL

SUBJECT: PAID SICK LEAVE

POLICY:

After one year of continuous full-time service, an employee qualifies for sick leave. The company reserves the right to request proof of illness before pay is granted.

Should the employee be ill for more than three consecutive work days, the employee is required to visit a medical doctor for treatment and to advise the employee's supervisor of the condition in writing before returning to work. The employee is to call and report the absence due to illness at least two hours before the scheduled time. The employee must call the supervisor every day of absence.

Under no circumstances is paid sick leave to exceed seven days per year. Sick leave time cannot be carried over from one year to the next.

For computation of sick leave time, a full time employee is one who works seventy (70) hours or more during the payroll period.

Sick leave hours accrue to each full time employee based on the number of hours worked each pay period and the employee's length of service with Brock Hotel Corporation and ShowBiz Pizza Place, Inc. Hourly employees accrue sick leave based on the total number of hours worked each week for the year. A full time employee who does not work at least seventy hours during the payroll period will not accrue sick leave for that period. If a full time employee does not accrue at least twenty (20) hours per year, they earn no sick leave. Salaried employees will accrue hours based on one hundred (100) hours per pay period. A salaried work week is based on a minimum of fifty (50) hours per week. The rates of accrual will be:

Length of Service in Years	Sick Leave Accrual per hour worked
0+	.0270

While sick leave hours are accrued each pay period, the sick leave hours are not earned until the pay period an employee passes their anniversary date of employment. In the pay period an employee passes their anniversary date, any accrued sick leave hours are credited (assuming at least 20 hours were accrued) to the employee as earned and a new accrual would begin for the following year. Any unused sick leave hours are not carried forward to the following year. An employee may not receive pay in lieu of sick leave not taken. Upon termination, one cannot receive pay for sick leave not taken.

See Payroll Preparation Procedure for further information.



Policy # 149
Title: Solicitation

Effective Date: 4-18-85

OPERATIONS MANUAL

SUBJECT: SOLICITATION

POLICY:

Solicitation by an employee of another employee is prohibited when either employee is on working time. Distribution of literature by employees in work areas is prohibited at any time.

Non-employee solicitation or distribution of literature by non-employees on company premises is prohibited.



OPERATIONS MANUAL

DESCRIPTION: The Suggestion System is a prescribed communication system which channels ideas from all employees to the Home Office for consideration. It recognizes that because field employees deal directly with procedures and guests, their input is most valuable and should be reviewed and rewarded.

PROCEDURE:

1. Method

A locked suggestion box is to be located in the employee break area at each entertainment center where written ideas may be deposited. Suggestions must be signed and dated. The District Manager will open the box quarterly and remove all suggestions. Each District Manager is to choose the one best suggestion from the District and forward it to the Director of Human Resources.

2. Ideas Requested

Suggestions should be related but are not limited to:

a. Sales increases.
b. Guest count increases.
c. Guest satisfaction.
d. Promotions.
e. Procedures.
f. Efficiency.
g. Cost reductions.
h. Improvements for employee performance, enthusiasm, and morale.

Note: It is very important to note that the suggestion box is not to be used for personal complaints or employee grievances. These matters should always be resolved on a one to one basis with the General Manager or following the ShowBiz "open door" policy.

3. Eligibility

All employees may submit as many suggestions as they desire. Only signed and dated material will be considered. The idea dated earliest will be considered over duplications. Bonuses will be paid only to persons still employed by ShowBiz Pizza Place, Inc. at the time of the award.



4. Recognition and Award

   a. Awards

      Awards will be given at three levels:

      1. The author of the best suggestion from each district will be awarded $25.00. This is a quarterly award.

      2. The Home Office Review Committee will choose the 3 best suggestions from the district entrants. These people will be awarded $100.00. The corporate award is presented quarterly.

      3. At year's end, the Home Office Review Committee will choose the best suggestion from the 12 quarterly winners. This person will receive a $500.00 bonus.

   b. Payments: Payments will be processed by the Human Resources Department.

5. Equipment

   a. One tan file box with lock: #BDY5902 or equivalent.

   b. Letter of instructions laminated and posted beside the box.



OPERATIONS MANUAL

Policy # 151
Title: Theft - Employee

Effective Date: 2-26-86

SUBJECT: THEFT - EMPLOYEE

POLICY:

ShowBiz Pizza Time, Inc. will use every legal and ethical means to help the majority of its employees by reducing employee theft. The following methods, among others, will be used to reduce employee theft:

1. ShowBiz Pizza Time, Inc. will make the matter of reducing employee theft an absolute, top priority of the company and will regard all misappropriation of company property as either petty larceny or grand larceny;

2. ShowBiz Pizza Time, Inc. will reward those employees who bring to management attention theft by other employees;

3. ShowBiz Pizza Time, Inc. will prosecute all offenders without discrimination or favor, and regardless of whether restitution is made or promised.

4. ShowBiz Pizza Time, Inc. will honor its outstanding majority of honest and conscientious employees by greater emphasis on integrity in matters of promotions, bonuses, and wage increases;

5. ShowBiz Pizza Time, Inc. will improve its educational system so that all employees understand the harm done to honest employees when dishonest employees make it difficult or impossible to increase wages and to improve restaurant properties;

6. ShowBiz Pizza Time, Inc. will greatly strengthen its security forces throughout the company, and improve its fidelity loss detection methods;

7. All of the above policies will be brought to the attention of present employees and to the attention of all new hires so that all personnel clearly understand the seriousness of employee theft, no matter how seemingly petty, and so that all personnel understand the potential dire consequences of misappropriation of property, and so that all personnel will also understand the great benefits which could be obtained by the employees of a company relatively free from the cancer of dishonesty.



Policy # 152
Title: Time Cards

Effective Date: 4-18-85

OPERATIONS MANUAL

SUBJECT: TIME CARDS

DESCRIPTION:

Time cards have two important functions. One is to record the employee time accurately. The other is to aid management in controlling labor, grooming standards, and adherence to all labor laws.

PROCEDURE:

1. Prior to each shift the manager on duty is to remove all time cards from the rack for the employees working on his/her shift.

2. As each employee arrives for work the shift manager will inspect each employee for proper uniform and personal hygiene. If they meet the established standard, the employee is given his/her time card to clock in. After clocking in, the time card is to be returned to the manager.

3. The manager on duty will carry the time cards on his/her person during the shift.

4. The manager on duty will control all break and meal periods.

5. At the end of each shift the manager on duty will calculate the total hours worked for each individual to the nearest hundredth. This is to be written in the box at the right of the current day.

6. The hours are recorded daily on the payroll input sheet

   See policy on Record Retention.



OPERATIONS MANUAL

Policy # 153
Title: Time Recording

Effective Date: 4-18-85

SUBJECT: TIME RECORDING

POLICY:

It is the policy of ShowBiz Pizza Place, Inc. to require all hourly employees to use a time clock system for recording hours worked.

PROCEDURE:

1. The employee's name will be placed on the cards using the computer labels furnished by MHMK.

2. Any changes of time from what the time clock actually records must be initialled by the manager.

3. Employees are to be in full uniform before "clocking in". Employees are to "clock out" and "clock in" for all meal periods.

4. All overtime must be authorized by the Manager. This authorization will be indicated by the Manager's signature on the time card where the overtime is recorded.

5. Management will control the time cards by carrying them on their person while on duty. The hourly employees are to pick up their time card from the Manager/Supervisor on duty and return them to him/her after punching in/out.

6. Upon receipt of the paycheck, the non-exempt employee is to sign the time card so acknowledging the accuracy of time and said compensation.

7. Electronic Specialists are to use time cards.



Policy # 154
Title: Transfers - Employee

Effective Date: 4-18-85

OPERATIONS MANUAL

SUBJECT: TRANSFERS - EMPLOYEE

DESCRIPTION:

Any non-management employee, who is in good standing, of an entertainment center operated by ShowBiz Pizza Place, Inc., may ask for and be granted a transfer to another entertainment center operated by ShowBiz Pizza Place, Inc.

PROCEDURE:

1. The employee is to request in writing to his/her supervisor to arrange for the transfer. The employee will be given a job if one is available without loss of seniority benefits. If a job is not available immediately, the employee may apply for a leave of absence. In this case, the employee may wait up to six months for an opening. Management can request transfer in writing through the Human Resources Department with a copy to be sent to their district manager or supervisor.

2. All records on the transferred employee are to be forwarded to the Human Resources Office of the Home Office. Be certain the final copy of the employee's SPP-52 Personnel Action Form, as returned from MHMK, is sent with this material. The entertainment center which employs the transferred employee should request these records from the Human Resources office.

3. Payroll transfer procedures are to be executed on the transferred employee (see Payroll Procedures).

4. Form SPP-72 Management Changeover is to be completed on all management changes at the entertainment center level. The manager and district manager will complete and sign Form SPP-72.

   See <u>Restaurant Procedures Manual</u> for details on management change overs.



Policy # 155
Title: Unemployment Claims

Effective Date: 4-18-85

OPERATIONS MANUAL

SUBJECT: UNEMPLOYMENT CLAIMS

POLICY:

All claims for unemployment compensation will be promptly responded to by the entertainment center manager.

PROCEDURE:

Effective April 1, 1985, all unemployment claims will be processed by The Gibbens Company.

1. Timely response of all claims is the responsibility of the general manager. Failure to respond the same day of receipt can result in monetary penalties, loss of appeal rights, and unwarranted benefit charges.

2. Immediately upon receipt of an unemployment form, examine it carefully for required information and response timetable.

   If the form is one of the following requests for initial separation information, respond directly to the state agency that same day without assistance from The Gibbens Company. A copy of what you send or the employer's copy must be sent to The Gibbens Company.

   Michigan
   MESC 1555, Request to Employer for Wage and Separation Information
   MESC 1707, Request for Information Relative to the possible In-eligibility and Disqualification of Claimant

   Minnesota
   MES 1528, Request for Wage and Separation Information

   Montana
   UI-202-A, Request for Determination of Insured Status
   UI-202, Additional Request to Reopen claim

   New York
   LO 11.1, Report of Employment
   LO 12, Request for Employment and Wage Data
   LO 12.11, Request for Employment Wage and Data
   LO 12.12, Request for Detailed Wage Data

   Tennessee
   DES-234-12, Notice of Claim Filed and Request for Separation Information



Wisconsin
UC 203, Request for Work Record
UC 23, Eligibility Report

3. If the form is not one of those listed above, it must be immediately forwarded to the Gibbens Company District Office (addresses found on next pages). If separation information regarding the claimant involved was not previously sent to The Gibbens Company, through the BHC-52, please attach a memorandum to the form furnishing the reason for the employee's separation and date it occurred.

4. Unemployment Hearing Notices - Immediately upon receipt, forward all unemployment hearing notices to The Gibbens Company District office.

   If the hearing is scheduled to be held within five (5) working days or less, telephone The Gibbens Company District office to ensure adequate preparation time.

EMPLOYEE TERMINATION REPORTING PROCEDURES

1. When a termination, reduction in hours, or layoff occurs:

   a. Fill out the Personnel Action Form (BHC-52) immediately. Do not wait until preparing payroll.
   b. Provide complete details on the reason for separation pertaining to resignations and discharges with cause. For all separations, list any terminal payments made (holiday, vacation, sick pay, severence pay and/or dismissal pay). Fully complete the Personnel Action Form along with unemployment code, rehire code and last day worked.
   c. Send the green copy of the Personnel Action Form, the same day if possible, to the local Gibbens Company district office.

2. Labor Disputes: In the event of a work stoppage due to a labor dispute, please notify The Gibbens Company District Office immediately. Please furnish the beginning date of the dispute and the issues involved.

3. Lay Offs: In the event of a reduction in the work force involving multiple employees, please notify The Gibbens Company District office immediately. Please furnish the name, social security number, last day worked, expected date of return and separation payments for each employee involved.

4. Refusal of re-employment: If an offer of work after lay off is refused by a former employee, inform The Gibbens Company District office by telephone the same day the refusal occurs. Please furnish the type of work, hours of employment, rate of pay offered, date on which employment would have started, and the reason for the refusal.



THE GIBBENS COMPANY ADDRESSES AND TELEPHONE NUMBERS

ZONE 1
(CT, DE, DC, IL, IN, IA, ME,
MD, MA, MI, MN, MO, NH, NJ
NY, OH, PA, RI, VT, VA, WV, WI)

DISTRICT OFFICES	STATES COVERED
Atlantic City P.O. Box 237 Zip 08404 Atlantic Building #304 1516 Atlantic Avenue Atlantic City, New Jersey 08401 (609) 347-1201	Southern New Jersey
Des Moines 550 39th Street, Suite 102 Des Moines, Iowa 50312 (515) 255-4473	Iowa Minnesota Missouri
Needham (Boston) P.O. Box 405 Needham, Massachusetts 02192 629 Highland Avenue Needham Heights, MA 02194 (617) 449-6710	Connecticut Massachusetts Maine New Hampshire Rhode Island Vermont
South Bend 207 Dixie Way North, #360 South Bend, Indiana 46637 (219) 272-5045	Indiana Michigan Ohio
Baltimore P.O. Box 4628 7215 York Road Baltimore, Maryland 21212 (301) 321-8100	Delaware District of Columbia Maryland Pennsylvania Virginia West Virginia
Garden City P.O. Box 157 647 Franklin Avenue Garden City, New York 11530 (516) 742-3573	New York Northern New Jersey
Schiller Park (Chicago) 4333 Transworld Road, Suite 300 Schiller Park, Illinois 60176 (312) 671-6300	Illinois Wisconsin



The Gibbens Company Addresses and Telephone Numbers (Cont'd):

ZONE 2
(FL, GA, AL, AR, MI, TN,
KY, NC, SC, TX, OK, LA)

DISTRICT OFFICES	STATES COVERED
Dallas 11500 Stemmons Freeway Dallas, Texas 75229 (214) 241-9153	Northern Texas Oklahoma Louisiana Western Arkansas
Memphis 4466 Elvis Presley Blvd., #201 Memphis, Tennessee 38116 (901) 396-2031	Tennessee Mississippi Kentucky Eastern Arkansas
Winter Park P.O. Box 1539 Winter Park, Florida 32790 235 Maitland Avenue, #202 Maitland, Florida 32751 (305) 645-5533	Florida Georgia Alabama
Houston 10500 Northwest Freeway #215 Houston, Texas 77092 (713) 680-0919	Southern Texas
Raleigh P.O. Box 51466 Pembroke Square #102B 6512 Six Forks Road Raleigh, NC 27609 (919) 848-9025	North Carolina South Carolina



The Gibbens Company Addresses and Telephone Numbers (Cont'd):

ZONE 3
(CO, UT, WY, NB, KS,
ND, SD, NM, AZ)

DISTRICT OFFICES	STATES COVERED
Albuquerque P.O. Box 1784A, ZIP 87103 130 Washington, SE Albuquerque, New Mexico 87108 (505) 268-0346	New Mexico
Phoenix P.O. Box 23313 Phoenix, Arizona 95063 5322 North 59th Street., Suite M Glendale, Arizona 85031 (602) 247-2427	Arizona
Denver P.O. Box 28030 Denver, Colorado 80228 165 S. Union Blvd., #714 Lakewood, CO 80228 (303) 986-8665	Colorado Wyoming Nebraska Kansas North Dakota South Dakota
Salt Lake City P.O. Box 7832 Professional Plaza Office Building 545 East 4500 South, #E-100 Salt Lake City, UT 84107 (801) 261-0071	Utah



The Gibbens Company Addresses and Telephone Numbers (Cont'd):

ZONE 4
(CA, NV)

DISTRICT OFFICES	STATES COVERED
La Mesa (San Diego) 7373 University Avenue #207 La Mesa, California 92041 (619) 464-2817	California (San Clemente)
Los Angeles P.O. Box 64713 2999 Overland Avenue, Suite #216 Los Angeles, CA 90064 (213) 836-1660	California (Visalia to San Clemente)
Walnut Creek P.O. Box 9121 2815 Mitchell Drive, #103 Walnut Creek, CA 94598 (415) 935-7510	California (Visalia North)
Las Vegas P.O. Box 15335 1840 East Sahara #200 Las Vegas, NV 89104 (702) 737-0345	Southern Nevada
Reno P.O. Box 71210 ZIP 89570 1610 Meadow Wood Lane Reno, Nevada 89502 (702) 826-6600	Northern Nevada



The Gibbens Company Addresses and Telephone Numbers (Cont'd):

ZONE 5
(OR, WA, ID,
AK, HI, MT)

DISTRICT OFFICES	STATES COVERED
Bellevue P.O. Box 6249 ZIP 98007 15921 N.E. 8th Street, #201 Bellevue, WA 98008 (206) 747-1030	Washington Montana Alaska
Honolulu 1400 Kapiolani Blvd., #A-29 Honolulu, HI 96814 (808) 945-7868	Hawaii
Boise P.O. Box 8222 ZIP 83707 815 Park Boulevard, #370 Boise, ID 83702 (208) 343-3000	Idaho
Portland P.O. Box 20369 ZIP 97220 4110 N.E. 122nd Avenue, #200 Portland, Oregon 97230 (503) 256-3242	Oregon



SUGGESTIONS FOR BETTER CONTROL OF UNEMPLOYMENT COMPENSATION COST

1. Whether a new employee is capable of performing the work required and is satisfactory in other respects should be learned as quickly as possible. The sooner an unsuitable employee is released, the lower the amount of liability the company will incur if it becomes a base period employer in a claim filed.

2. When employees have been discharged because of infractions of company rules, it may be necessary to establish that they were informed of the rules. It is a frequent occurrance of employees to say they knew nothing about the rule when they file their benefit claims. This is difficult to disprove unless the employer has an established procedure for notifying all workers.

   Each new employee is to be furnished with a printed list of rules then sign the personnel envelope for acknowledgement of receipt and orientation. A copy of this should be produced if necessary, to refute employees' denial that they had knowledge of a specific rule. The rules are also to be posted on a bulletin board where they can be read by all employees.

3. When workers are warned about violations of rules or improper conduct, enter the facts on a written warning slip and hand it to them for their signature with a witness present. These slips can be the means of obtaining worker's disqualification for benefits if they are separated for misconduct. Unless workers commit a serious Class A offense, they should be warned three times in writing.

4. Complete facts should be assembled before a worker is discharged. The person ordering the discharge should make certain that the knowledge of the situation is "firsthand" instead of acting on "hearsay" information.

5. Conducting an exit interview is a recommended method of recording the cause of a worker's separation when a voluntary quit or discharge for misconduct is involved. Preparing a statement of the facts on a termination report at the time a separations occurs makes a permanent record for future use. Too often facts are forgotten, or supervisors and witnesses are no longer available, by the time the employer becomes a chargeable employer in a worker's claim. The manager is to obtain a written resignation by the employee in which the reasons for separation are listed.



SUGGESTIONS FOR BETTER CONTROL OF UNEMPLOYMENT COMPENSATION COST (Cont'd)

6. It often happens that workers will commit minor offenses and be discharged by their employer because it was the "last straw" in a series of offenses. An example is that of a worker being discharged by the employer for not reporting to work Monday because of a broken arm received in an accident during the weekend. The individual could have been discharged for just cause connected with the work on any one of several occasions. MAKE CERTAIN THE FINAL ACT OF THE WORKER IS SERIOUS ENOUGH TO WARRANT BEING CONSIDERED A WILLFUL DISREGARD OF THE COMPANY'S INTEREST.

7. Workers should be informed that they must call one of two superiors if they will be tardy or absent from work. Instructions should be issued that they must give their message to the telephone operator if both of the superiors are not available to take their calls. A telephone message record should be maintained. Attendance records should indicate whether or not an absence was reported. These precautions should be taken to offset any claim of a worker that he called when actually he did not do so.

8. In a leave of absence situation definite time frames must be established on the printed form so the worker may read them at the time of signing. The guidelines should specify: (a) length of the leave; (b) whether workers should make periodic reports to the company, and if so, how often and to whom they should report; (c) medical reports required; and (d) steps to take to terminate the leave. The worker should be supplied a copy of the form. If workers should fail to report as requested or do not report when their leave expires, efforts should be made to learn the reasons before they are discharged.

9. When workers give notice of quitting, permit them to work out the notice unless there is a substantial reason that makes their immediate departure necessary. This will prevent a dispute over whether employees quit or were discharged.

10. If workers are given disciplinary layoffs (suspension without pay), inform them in writing of the cause and the length of the layoff. State definitely the date they are to report back to work. This can prevent the allowance of benefits if workers file a claim and give distorted circumstances to the State Agency. The suspension is not to be more than seven days.



SUGGESTIONS FOR BETTER CONTROL OF UNEMPLOYMENT COMPENSATION COST (Cont'd)

11. It is suggested that an employer refrain from using the word "unsatisfactory" to describe the reason for a worker's separation. Experience has shown that some employees responsible for recording separation reasons have used the term "unsatisfactory" when actually the worker was guilty of tardiness, unexcused absences, or of some other acts or infraction of rules which really constituted misconduct in connection with the work. Violation of conduct rules is the recommended reason for termination if separation is with cause.

12. The State Agency may contact an employer by telephone or send a letter to request verification of the information entered on a claim form.

    A good policy to follow is to issue instructions that only designated persons be permitted to answer questions by the State Agency. Too frequently, someone other than the individual who is aware of the correct facts replies to the request, and through inadvertence or misunderstanding of the circumstances, gives improper information that confuses the matter and qualifies an undeserving claimant.

    It would help considerably if any information given to a local office, either orally or in writing, is submitted to The Gibbens District office immediately.

SUGGESTED SEPARATION TERMINOLOGY

When an employee terminates, or is terminated, from your employ, the exact reason for the separation should be recorded and maintained in your files. AVOID GENERAL STATEMENTS and only give the facts accurately and completely, which brought about such action.

All separations can be classified as either Voluntary or Involuntary, the and following listing should be of assistance in your completion of the termination section on the Personnel Action Forms. However, direct any questions to The Gibbens Company District Office.

Voluntary Termination (initiated by employees, and employees are allowed to work out their notice.)



SUGGESTED SEPARATION TERMINOLOGY (Cont'd):

1. Leave of Absence (requested by the employee) due to:
   (obtain signed leave of absence request form from employee)

   a. Personal reasons - indicate reason if known
   b. Medical reasons - obtain medical statement
   c. Pregnancy
   d. Family obligations
   e. Military

2. Refusal of Re-employment (record the following information):

   a. Type of work
   b. Hours of employment
   c. Rate of pay offered
   d. Date employment would have started
   e. Reason for the refusal

   Note: Not all refusals of work are terminations.

3. Quit due to:
   (obtain written resignation from employee)

   a. Personal reasons - indicate reason if known
   b. To leave the area
   c. Illness - obtain medical statement
   d. Pregnancy
   e. Family obligations
   f. Other employment
   g. To attend school
   h. Dissatisfied with job
   i. Absent without report

4. Labor Dispute:

   a. Employee is member of striking union
   b. Refusal to cross picket line

5. Vacation:

   a. Personal - at employee's request
   b. Shutdown - employee receiving vacation pay

6. Retirement:

   a. In accordance with company policy
   b. In accordance with union agreement
   c. At employee's request

   Note: If a pension is involved, the record should be marked showing the monthly amount to be received by the employee.

SUGGESTED SEPARATION TERMINOLOGY (Cont'd):

Involuntary Terminations (initiated by the employer)

1. Lack of Work, or "Laid Off", due to:

   a. Reduction in pay and/or work hours
   b. Job eliminated
   c. Operation of employment temporary or permanently closed
   d. End of temporary or seasonal job

2. Discharged - due to: (written documentation required)

   a. Absenteeism (need dates and number of days)
   b. Inability to work due to illness
   c. Tardiness (need dates and amount of time)
   d. Violation of company rules (the employee should have been made aware of rules prior to termination and all infractions documented and signed by employee)
   e. Violation of union agreement
   f. Insubordination, or refusal to obey instructions
   g. Inability to perform job in relation to the requirements of the position
   h. Apparently under the influence of some intoxicant and unable to perform job
   i. Removed company property from company premises without proper authorization (proof needed)
   j. Engaged in acts (or conduct) unbecoming worker on the job, to the embarrassment of management and fellow employees
   k. Forced resignation
   l. Fighting on company property
   m. Willful damaging of company property

   Note: Documentation of oral and written warnings on any of the above is required.

3. Labor Dispute:

   a. Company lockout

4. Vacation:

   a. Shutdown - employee is ineligible for vacation pay

5. Retirement:

   a. Involuntary with or without pension
   b. In accordance with company policy
   c. In accordance with union agreement



Policy # 156
Title: Uniform Agreement

Effective Date: 4-18-85

OPERATIONS MANUAL

SUBJECT: UNIFORM AGREEMENT

POLICY:

When it is a condition of employment or inherently part of the business, the company will provide uniforms. However, it will not be considered a uniform where the company merely designates a general type of clothing which can be worn away from the job as street clothes.

All uniforms provided to employees are to be worn for job related purposes only.

PROCEDURE:

1. All newly hired employees (excluding management which includes electronic specialists) will be issued required uniform items.

2. Uniforms will be replaced as needed.

3. A copy of the uniform agreement receipt is to be signed by the employee at the time the uniform items are received.

4. Retain the signed agreement as part of the employee's personnel envelope. Under no circumstances should payroll deductions or deposits be taken for issued uniforms.

5. If a uniform becomes unsuitable due to wear, it should be replaced at no charge upon return of the old uniform.

6. Upon termination, or at the request of management, employees must return all issued uniform items in good condition, except for normal wear.

Policy # 157
Title: Union Status

Effective Date: 4-18-85



OPERATIONS MANUAL

SUBJECT: UNION STATUS

POLICY:

The company will oppose unionization because employees will be treated on their own merits as individuals without favoritism or discrimination. We believe that a union is neither needed nor desirable. The company will comply with the law in all respects and will resist, with all legal means available, any attempts by a union to force, threaten, frighten, or otherwise coerce employees into joining. Furthermore, the corporation will insist on the protection of employee rights as guaranteed by law.

PROCEDURE:

1. If a union representative contacts the entertainment center:

   a. Do not look at any list of employees.

   b. Do not look at any cards with names on them or letters.

   c. Do not look at any writing or paper they may attempt to hand you.

   d. Do not become involved in any discussion with the union representative.

   e. If a phone call or letter is received from a union, immediately contact the Human Resources Department. A caller should be referred directly to the Human Resources Department.

   f. In the event that the union representatiave appears on the property, you should advise him, politely but firmly, that he will have to refer any questions to the Human Resources Department. In most cases, the union representative will leave the premises. If he persists and attempts to speak with employees while they are working, he should be asked to leave.

   g. If, because the union representative is particularly agressive, you are forced to talk with him, you should do the following:

      1. The union representative should be taken to a private area.

      2. A second management employee should be present as a witness.



3. The name and affiliation of the union representataive should be accurately noted.

4. The union representative should be asked to state his business. If he responds by indicating, in any way whatsoever, that his union represents a majority of your employees, you should immediately state that you do not believe the union represents a majority of the employees.

5. If a stack of authorization cards are produced by the union representative who claims that a majority of your employees have signed up with the union, the cards must not be accepted or examined or touched. If the union representative attempts to hand them to you, they should be refused. If there is not a witness present, one should be called to witness the refusal. Accepting the cards may ultimately result in the loss of the company's right to secret ballot election, and the company will be ordered to bargain with the union.

6. If the union representative suggests or demands a card check (comparing the signatures on the cards to those on the payroll), you should refuse. There are no exceptions to this rule.

7. If the cards are left on a desk or thrust into your possession or dropped and left on the floor, you should have a trusted non-management employee place them in an envelope and mail them back to the union via regular mail in the presence of witnesses. At no time should a management member touch the cards.

2. Do not give out any information on employee pay, benefits, rosters, addresses, or other such information as may be requested.

3. Limit union representative access to the premises, to employees, guests, and vendors. Trespassers are not permitted and will be prosecuted. Union representatives are not authorized to conduct their business at our facility. If at all possible the company management employee should request the union official, in a private area which will avoid public confrontation, to leave the premises. If they refuse, inform them that you are going to call the police and have them arrested for trespassing.



4. When specifically asked by employees, management may state facts regarding unions in general, so long as they do not punish, interrogate, or threaten employees with regard to union activity or membership, nor reward or promise employees any benefits to refrain from joining the union. Employees should never be questioned in regards to any subject relative to union.

5. If the union places pickets at entrances to the entertainment center, such obstructions may be controlled by court order. The order would specify the maximum number of pickets and distance from the entrance which must be observed. Acts of violence, threats, name-calling and other such intimidating activities may be controlled by court order. Court action may be instituted only after consultation with the Human Resources Department who will confer with legal counsel and the Director of Operations.

6. Employees engaging in union activities must do so on his own time or outside of company premises. The company will not discipline an employee who speaks to another union employee regarding the union if both employees are on non-work time, this includes before work, breaks, lunch, and after work. Employees who engage in union activities during their work time on company premises may be disciplined. Distribution of literature may be prohibited on work time or in work areas.

7. If a NLRB election is held, it will be conducted after at least 30% of the employees in an appropriate union have signed authorization cards to the union. An employee who signs an authorization card is not bound by that card to vote for the union. He can change his mind for any reason. Elections are by secret ballot and the individual note cannot be identified.

   For an election to be successful for the union, a majority of the eligible employees voting must vote for the union. For that reason, all eligible employees should vote. Employees who refrain from voting because they are not in favor of the union actually make it easier for the union to win when they do not vote. This fact should be made very clear to employees before the election takes place.

8. As a management representative, any error you make could result in immediate recognition of the union. Therefore, it is mandatory that you contact the Human Resources Department at the first sign of any union interest among your employees.



OPERATIONS MANUAL

SUBJECT: VACATION

POLICY:

After completion of one year of continuous service (including the probationary period) all full time employees will have earned one full week of paid vacation. After two years of service, two weeks are earned, and after ten years, three weeks are earned. Years begin and end on the employee's anniversary date.

For computation of vacation time, a full time employee is one who works seventy (70) hours or more during the payroll period.

Vacation hours accrue to each full time employee based on the number of hours worked each pay period and the employee's length of service with Brock Hotel Corporation and ShowBiz Pizza Place, Inc. Hourly employees accrue vacation based on the total number of hours worked each week for the year. Salaried employees will accrue hours based on one hundred (100) hours per pay period. A salaried work week is based on a minimum of fifty (50) hours per week. The rates of accrual will be:

Length of Service in Years	Vacation Accrual per hour worked
0 - 1	.0193
1 - 10	.0385
10 +	.0577

While vacation hours are accrued each pay period, the vacation hours are not earned until the pay period an employee passes their anniversary date of employment. A full time employee who does not work at least seventy hours during the payroll period will not accrue vacation for that period. If a full time employee does not accrue at least twenty (20) hours per year they will earn no paid vacation. In the pay period an employee passes their anniversary date, any accrued vacation hours (assuming at least 20 hours were accrued) are credited to the employee as earned and a new accrual would begin for the following year. Any unused earned vacation hours are <u>not</u> carried forward to the following year.

See Payroll Preparation Procedure for further information.



Policy # 159
Title: Wage Increases

Effective Date: 2-26-86

SUBJECT: WAGE INCREASES

POLICY:

It is the policy of ShowBiz Pizza Time, Inc. to review employees for raises on the following basis:

Class I, II, and III employees will be reviewed a minimum of once the first year for possible salary increases with annual reviews held thereafter. Class IV and Class V positions will be reviewed for a possible raise at the end of the first six (6) months and twelve (12) months of employment. Merit increases will be reviewed on the anniversary date of each succeeding year.

Exceptions outside of this guideline must be authorized by two levels of management above the level receiving the change.

PROCEDURE:

1. The employee's immediate superior will make raise recommendations based upon employee performance. (See Employee Appraisal Policy). All raises must be authorized by two levels of management, at least one being from a Class I District Manager or Operations Director.

2. Each entertainment center is provided a list of all employees due a raise. This list, called the Analysis of Annual Hire Date for Merit Raises, will accompany the pay checks immediately prior to the pay period the raises would become effective.

3. Upon approval, the raise must be submitted on a Form BHC-52, Personnel Action Form, with the next payroll input. This form must be signed by two levels of management, at least one being from a Class I employee, District Manager, or Operations Director.



SUBJECT: WORK SCHEDULES - NON-MANAGEMENT

POLICY:

The employee work schedule is to be prepared and posted on the employee bulletin board the Wednesday prior to the start of the new schedule.

PROCEDURE:

1. The work schedules will be posted in the Employee Break Area.

2. Schedules are prepared by the manager, utilizing the available information the employee has provided.

3. Employees are expected to check the schedule daily to adhere to it.

4. Day Off Request: When one knows they must have a day off, they are to request a special day off two weeks in advance.

5. Shift Change: When one requires an adjustment in the posted work schedule, the individual is to find some one to trade shifts with them and have this change approved by the manager.

6. If the employee is ill or in an emergency situation and can not work the scheduled hours, he/she is to report to the management by telephone or written message at least two (2) hours prior to report time.

7. If the non-exempt employee is asked to leave prior to working the entire work schedule, the employee will be given a minimum of four hours pay for the inconvenience, whether the employee actually works a full four hours or not.



Policy # 161
Title: Work Schedules - Management
Effective Date: 4-18-85

OPERATIONS MANUAL

SUBJECT: WORK SCHEDULES - MANAGEMENT

POLICY:

During operating hours, a member of management must always be in the entertainment center. Only members of management may have the keys or combinations which protect company assets.

Management salaries are based on a minimum of five (5) days, 10 hours per day.

The general manager is to work those times that result in a majority of the entertainment center business. As a major portion of the business is generated during weekend evenings, the general manager is to close either Friday or Saturday evening.



OPERATIONS MANUAL

Procedure # 200
Title: Payroll Hire-In Procedures
Section: Payroll
Effective Date: 4-18-85

DESCRIPTION: At the time a non-exempt employee is hired, the following procedures and forms must be completed.

PROCEDURE:

Pre-Hire Information:

1. Application for hourly employment (Form SPP-17): During the interview, management is to review the application form for accuracy and completion.

2. Personal Interview: Two members of management are to approve all new hires. An interview is to be conducted to ascertain the candidate's integrity, job history, stability and work ethics.

3. Reference Checks: Reference checks researching a candidate's past work performance are to be conducted for all individuals.

4. Decision to Hire: Based upon the compilation of information from the above procedures, management is to make a decision on whether to hire a candidate.

5. Contacting the new employee: When contacting the employee regarding the job offer, be very clear in explaining the position, hourly rate and starting date.

6. Orientation: The employee is to participate in the orientation process as indicated on the Personnel Envelope (Form SPP-21) and in the orientation policy. The manager conducting the orientation and the new employee must sign the envelope indicating an understanding of the information reviewed. Employees are to be paid for time spent in orientation, training and all required meetings.

7. W-4 Employee Withholding Exemption Certificate: This form, found on the application, is to authorize tax deduction. If an employee makes less than $150 per week, they may have no federal liability and so be exempt from income tax withholding. The employee can claim such tax exemption by recording the word "EXEMPT" on the W-4. When an employee claims exempt status, a copy of the W-4 is to be sent to MHMK with the Personnel Action Form (BHC-52).



8. Personnel Action Form (BHC-52): This is the primary payroll form to be completed fully and accurately. The first copy (white copy is to be sent to Mize, Houser, Mehlinger & Kimes with the payroll input sheets. The remaining copies are to be retained in the employee's personnel envelope. A discussion of the non-self explanatory sections of this form follows:

   a. Input Status - Each new employee falls into the status of a New, Rehired, Transferred or Reinstated employee. If an employee has transferred in from a different ShowBiz Pizza Place, Inc. Entertainment Center operated by ShowBiz Pizza Place, Inc. the "transferred" box is to be marked. The previous location number is to be recorded in the "previous location number" input boxes. An employee is considered "reinstated" if they were hired back from a period of terminated employment and their benefits are to remain intact. This category will mainly include employees returning from a leave of absence.

   b. Minor Status - Indicate the employee's appropriate status by marking "yes" or "no" on the Personal History Form. Refer to your local statutes for applicable age criteria.

   c. Citizen Status - All employees must be legally qualified to work in the United States. Employees who are not U.S. Citizens are to submit a "green card" indicating that they are registered to legally work in the United States. Foreign Funded Alien is defined as a Non-Citizen with permission to be employed in the United States.

   d. Minority Status Codes - Select the appropriate status code from those listed. If the minority status needed is not listed, choose the closest appropriate status.

   e. Disability - If an employee is receiving disability benefits from a government entity, "yes" is to be indicated in the appropriate box.

   f. Military - One is a Vietnam Veteran if they were in the military during the Vietnam era of 1964 - 1975. If the employee served in the military during non-Vietnam era years, the "other" status is to be marked. If the employee was never in the military, indicate such by marking "none".

   g. Union - Indicate the union status of each employee by marking "yes" if they presently are a member of a union and "no" if they are not a union member.

h. Employees are either:

060200 - Operations Management including the manager and assistant managers.

060600 - Games Labor including the assistant electronic specialists, play room attendants, and merchandise cashiers.

060601 - Electronic Specialist/Technical Manager

060700 - Food and Beverage Labor including all hourly restaurant personnel whose main functions are food, beverage, or dining room related.

060701 - Intern account including any hourly personnel approved by the District Manager and corporate Human Resources.

060800 - Birthday Telephone Line Operator - Account including only those hours used for answering the birthday line and making reservations.

074000 - Security Personnel - Personnel hired on a contract basis with services paid through paidouts from the entertainment center's cash funds.

i. Wages Paid - All employees are paid either on an hourly or salaried basis.

j. Employment - Employees are to be classified by either full time (actually working 35 hours per week) or part time employees. Temporary employees are those hired as seasonal, non-permanent help.

k. Marital Status - Indicate the status code as specified by the employee on the W-4.



l. Tax Status - The number of dependents must be the total number claimed by the employee on the W-4. If the employee claims "EXEMPT" on the W-4, a check (✓) is to be entered on the Exempt Federal and Exempt State input boxes. When an employee claims "EXEMPT" status, a copy of the W-4 is to be sent to MHMK with the payroll.

m. E.I.C. (Earned Income Credit) - Effective with the payroll cutoff of July 6, 1979, certain employees become eligible to receive, through their employer, advanced payments of the Earned Income Credit normally received as a credit on their annual income tax return.

To request the advanced payment, eligible employees must complete and sign Form W-5 which can be obtained through a local IRS office. This form is to be filed in the employee's personnel envelope with a copy forwarded to MHMK.

Complete the EIC box in the BHC-52 as follows: Mark "0" if the employee is not eligible or did not sign a W-5 form. Mark # 1 if the employee is eligible, is single or married with spouse filing certificate. Mark # 2 if the employee is eligible and files certificate, is married and spouse also files certificate.

n. Rate of Pay - For salaried employees, the bi-weekly salary amount is to be recorded. To convert salaried employees, divide annual salary by twenty-six. For non-salaried employees, the hourly rate is to be recorded.

o. Review Date - Indicate the wage review date for each employee if it is to be other than six months after the hire date and on anniversary date thereafter.

p. Scheduled Weekly Hours - Record the number of hours you expect the employee to be working each week. Give one estimated whole hour figure.

10. Uniform Agreement Receipt: This form is to be signed by the employee at the time the uniform items are received. This form is to be kept in the employee's Personnel Envelope. Only uniform items which remain the property of the company must be recorded.



11. Insurance Enrollment: All employees are to sign the Personnel Envelope indicating whether or not they wish to register for the insurance. Only full time employees (regularly scheduled forty hours of work per week) are allowed this benefit. After successful completion of the ninety-day probationary period, full time employees wishing to enroll for the insurance are to fill out the enrollment card. A notice will come in the employee's check indicating the completion of the ninety-day probationary period. Be certain all sections of the card are completed accurately and that the entertainment center number is on the card. The completed card is to be forwarded to the benefit insurance administrator at the corporate headquarters.

    Insurance benefits are effective immediately for management personnel. Full time, non-management personnel will be eligible for benefits after their ninety-day probationary period.

12. Work Permits: Some states require work, beverage/food handling, or other such permits of employees prior to allowing them to work in an entertainment center. State/local legal codes are to be complied. (See Local Child Labor Laws).



Payroll Preparation:

1. General Information - Mize, Houser, Mehlinger & Kimes, Professional Association, prepares all payrolls. Employees are paid on a bi-weekly basis with pay periods ending on alternating Fridays.

   The locations prepare a Payroll Input Sheet showing hours worked, miscellaneous earnings, authorized deductions, and new employee information. This information is stored in the computer's memory and will always be used to figure the employee's earnings until such time that there has been a change in rate of pay, number of dependents, etc. From the Input Sheets, MHMK will figure earnings, deductions, and net pay due the employees. They will write and sign the checks, accumulate the year-to-date information on each employee, and prepare quarterly listings for use in the completion of governmental payroll reports and annual W-2 information to the employees.

2. Mailing the Payroll Input Sheets - The Input Sheets, along with all applicable forms, are to be mailed "Special Delivery" no later than Saturday noon following the Friday night cutoff to MHMK. If the payroll will arrive later than noon of Monday following the Friday night cutoff, the manager is to call the payroll department of MHMK. The Manager or an Assistant Manager must sign each Payroll Input Sheet verifying its accuracy prior to mailing to MHMK.

3. Need for Social Security Number - The payroll system uses the social security number as the employee number or "key" to each employee. All correspondence going to MHMK must have the social security number. If an employee does not have a social security number, he is to be advised to apply for one immediately as they will not be paid without it. It is preferable to check the employee's social security number against the employee's social security card or driver's license.

4. Check Arrival and Payday - Checks will be mailed to the Manager within six days from the end of the payroll period. The official payday is Saturday, one week from the payroll period cutoff. Checks are not to be distributed before Saturday.



5. Paying the Employee From Restaurant Funds - Employees are always to be paid by checks generated by MHMK. The only exception would be if State/Local legislation requires immediate pay upon termination. Form SPP-49, Salary Receipt is to be completed when paying an employee with restaurant funds. The accounting firm will furnish the restaurant with current local tax tables and a federal circular E tax deduction rate sheet. If problems arise in computing taxes or other deductions, call the accounting firm for aid in completing the Salary Receipt. (Form SPP-49) All wages paid, except sick pay, are subject to FICA deductions. The completed SPP-49 is to be routed per instructions on the bottom of the form. Any hours paid through restaurant funds are not to be recorded in the regular hours column. Indicate the amount of salary paid in the remarks column along with a notation that the SPP-49 form is included. The net amount paid to the employee is to be recorded as a "348" expense on the Weekly Report of Cash Purchases, SPP-70.

   The final payroll period of each year is the last opportunity for updating the employee's earning for the year. Therefore, all SPP-49's (Salary Receipts) for wages paid to employees by the restaurant are to be sent in with the final payroll for the year. After the final payroll cutoff and until January 1 of the following year, MHMK requests that restaurant not pay any active employee by means of restaurant funds cash funds. In the event an employee is discharged at the restaurant's request and payment must be made, immediately forward the white copy of the SPP-49 to MHMK.

   Jury Duty: When computing salary on individuals off of work due to jury duty, first have the employee present documentation of the request to serve on a jury and of the compensation paid. The manager will determine the work week rate per calculation of sick leave or vacation pay (average of pay for past six (6) pay periods (12 weeks). The manager will deduct the amount paid to the employee for jury duty from the calculated work week rate using the Salary Receipt Form (SPP-49). Record the amount paid by the court in the "other" earnings column on Salary Receipt Form SPP-49. Record as a credit in the "remarks column" and "salary adjustment" column of the payroll input sheet.



6. Shared Employee Hours - There will be times when more than one entertainment center will share an employee's labor hours. If this situation arises, the total hours are to be recorded on the employee's normal entertainment center's payroll input sheet. The hours which are to be charged to the second location/site are to be indicated in the remarks column of the payroll input sheet. MHMK will then make the necessary payroll journal entries to charge the wages to the correct entertainment center.

7. Routing of Payroll Input Sheet - The Payroll Input Sheet, separated by departments into two sections, is a "spread sheet" prepared at the end of each pay period by the restaurant detailing the information needed by MHMK to compute earnings, deductions, and net pay for each employee. It is to be prepared in duplicate. The second copy, a carbon, is to be retained by the location as a backup to be used to transmit the information via telephone if for any reason the original is not received in time by MHMK. Employees are listed alphabetically in the Input Sheet in sequence by account number.

8. Explanation of Columns on Payroll Input Sheet - For purposes of illustration, a sample Input Sheet number, to correspond to the headings discussed below, is included in this section as Illustration #1.

   Col. 1 - Employee Data: The first line of this section lists the employee's social security number, marital status, number of dependents and profit sharing percent. The second line lists the employee's last name, first initial, and middle initial. All information must be recorded on the Input Sheet by hand for all new employees. All subsequent sheets will be preimprinted with this information.

   Col. 2 - Payroll deductions for each employee are entered in this section by an identifying code number listed at the top of each Input Sheet. Those authorized through MHMK are:

Code	Deduction For
10	Group Insurance (MHMK only)
11	Credit Union (home office will complete deduction form)
17	Garnishment
20	Other



The code numbers and amounts are always pre-imprinted. The Deduction Authorization Form, BHC 312, must be completed by the manager on deductions required for uniforms. All other paper work relative to deductions will be completed by MHMK or the corporate payroll office. This form explains information relative to the deduction. Deductions are made either on a regular, one time basis, or over a four pay period basis. If the regular basis square is checked on the form, the deduction will be made from the employee's earnings each pay period until further notification is received. This is for credit union or insurance deductions only. If the "one-time" square is marked, the deduction will be taken only in that one pay period. The "Effective Date" is <u>always</u> the last day of the pay period.

<u>Garnishment</u> - Upon receipt of the garnishment, call the ShowBiz Payroll at MHMK, 913-233-1016, to advise of the legal requirement. All notices of garnishment are to be forwarded at the time received to:

General Counsel
SHOWBIZ PIZZA PLACE, INC.
4441 W. Airport Frwy.
Irving, TX 75062
Attn: Garnishment

Copy to:
MHMK
First National Bank
#1 Townsite Plaza
Topeka, KS 66603
Attn: Garnishment

The notice must be accompanied by the following information:

a. Name of employee, name of plaintiff
b. Location name and entertainment center number
c. The date and time the notice was received.
d. The number of hours the employee worked in the pay period at the time the notice was received.
e. The employee's hourly wage.
f. The amount of money owed.

<u>EXPLANATION OF MULTIPLE JOB CLASSIFICATIONS/RATES</u>

For the five columns following the deduction column (rate, account number, regular hours, overtime hours, and total hours), there are <u>two</u> lines printed on the Input Sheet.

As designated on the form, when an employee works in his primary or "normal" job classification, the hours are to be recorded on the <u>top</u> line. However, at times an employee may work on a different shift providing for a different rate, or at a totally different job classification. When this occurs, the rate, account number and hours are to be recorded on the second line (shaded); however, in the event the employee works in <u>two or more</u> jobs other than "normal" the information must be recorded small enough to fit in the second (shaded) space.



Col. 3 - Rate - This column, preimprinted for all but the new employees, contains the hourly for non-exempt or biweekly rate of pay for salaried employees.

Col. 4 - Account Number - The Payroll Account Number for each employee per job classification is imprinted in this column. Here again, this must be recorded by hand for new employees.

Col. 5 - Regular Hours - This column is for all "regular" hours as recorded on the time card. Fractions of hours to the nearest hundredth are to be recorded in decimals. One may use the Payroll Input Daily Hour Record Worksheet to record the employee hours on a daily basis, (Illustration 2C). These hours are then to be transferred on to the actual payroll input sheet at the end of the payroll period. Daily recording will assure timely completion of the bi-weekly payroll. For salaried employees working an entire pay period, the figure "!" is to be entered. All computations for salaried employees are based upon a six-day, forty-eight-hour work week. Therefore, if the salaried employee worked three days in the period, .25 could be recorded as one-quarter of the pay period (six) days would be .50 and nine days .75). (Note that for management the percentages are figured on a twelve-day pay period).

Col. 6 - Overtime - In the event an employee works hours qualifying for overtime pay (time and one-half), the overtime hours are recorded on the time card are to be entered in this column. (Over forty hours per work week or per State/Local legislation dictate; see wage nd hour policy).

Col. 7 - Total Hours - Regular and overtime hours are to be added together and entered in this column. This column must be completed for all employees even though there are no overtime hours, and the total hours are the same as the regular hours. For salaried employees, the number "1" or whatever percentage of the pay period worked is to be recorded here again.

Col. 8 - Other Income - All entries in this column must be accompanied by an indentifying code number as listed in the upper right hand portion of the Input Sheet. Other income is as follows:

Code	Description
11	Holiday Pay
12	Vacation Pay
13	Sick Leave Pay
14	Employee of the Month Bonus



a. Instructions for Calculating Holiday Pay

Holiday pay is based on the number of hours worked on the holiday. Enter the number of hours in the "Other Income Hours" column and enter a Code 11. The computer will automatically calculate the pay based on the regular hourly rate times 1.5. Do not record these hours in the Regular, Overtime or Total Hours columns. Company holidays are New Years Day, Independence Day, Labor Day, Thanksgiving Day, Easter, and Memorial Day.

If an hourly employee works on Christmas, they would be paid at a rate of one and one half times their normal rate.

When an electronic specialist works holiday hours, subtract the number of hours worked on the holiday from the total number of hours worked during the two week pay period. The number of hours worked for the holiday are to be input in the "Other Income" column and coded #11. If the electronic specialist does not work the holiday, he/she does not get paid for it.

b. Computation of Vacation Pay is as follows:

An hourly employee is to be paid for his/her vacation based upon the average weekly earnings over the preceding twelve weeks (six pay periods). The total number of hours worked from Column 7 of the Payroll Input Sheet for six pay periods, divided by twelve, equals the average hours worked per week. For computation of average daily hours worked, divide the number of days worked weekly during the preceding twelve weeks.

Management/salaried employee vacation is accrued based on fifty (50) hours per week or one hundred (100) hours per pay period. Management/salaried employees are paid .1 for each day of leave taken. Ten hours per day will be deducted from the salaried employee's earned vacation leave.

Record the number of hours of vacation taken in the "Other Income Hours" column. Do not record the vacation hours in the regular, overtime, or total hours columns. The amount in the "Other Income Hours" column will then be multiplied by the employee's rate to arrive at the employee's vacation pay. Post a code 12 for vacation pay.

If an employee is to be paid for vacation leave at other than their normal rate, the new rate is to be written in the other than normal rate (shaded) line beside the hours.



If the employee has earned hours equal to over forty (40) hours in a workweek, one should input the straight forty hours in the "other income" column and code it #12 for vacation. The overtime hours must be hand calculatd by multiplying the overtime hours times the hourly rate times one and a half. This dollar amount is to be recorded in the salary adjustment column. In the remarks column, write "electronic specialist vacation overtime."

The hours taken will be subtracted by the computer from the employee's earned vacation hours. Employees are not to be granted more vacation time than that which is earned as shown on the payroll input sheet. Employees are not to be paid for vacation time not taken as "time off" from work. We encourage employees to take all of their vacation time earned. See vacation policy for explanation of vacation accrual.

c. <u>Computation of Sick Leave Pay is as Follows:</u>

An hourly employee is to be paid for his/her sick leave based upon the average weekly earnings over the preceding twelve (12) weeks (six pay periods). The total number of hours worked from Column 7 of the Payroll Input Sheet for six pay periods divided by twelve equals the average hours worked per week. For computation of average daily hours worked, divide the number of days worked weekly during the preceding twelve weeks.

Management/salaried employee sick leave is accrued based upon fifty (50) hours per week. Management/salaried employees are paid .1 for each day of leave taken. Ten hours per day will be deducted from the salaried employee's earned sick leave.

Record the number of hours of sick leave taken in the "Other Income Hours" column. Do not record sick leave in the regular, overtime, or total hours columns. The amount in the "Other Hours" column will then be multiplied by the employee's rate to arrive at the employee's sick leave pay. Post a code 13 for sick leave pay.

If an employee is to be paid for sick leave at other than their normal rate, the new rate is to be written in the other than normal rate (shaded) line beside the hours.

The hours taken will be subtracted by the computer from the employee's earned sick leave hours. Employees are not to be granted more sick leave time than that which is



earned as shown on the payroll input sheet. Employees are not to be paid for sick leave time not taken as "sick leave time off" from work. See sick leave policy for explanation of accrued sick leave.

d. The Employee Of the Month Bonus is to be coded in the "other income" column with a code 14. The monetary amount of $26.80 should be input in the hours column of the other income section. This is an exception to the method of inputting other income which would normally mandate recording hours to be paid. The bonuses paid will be ultimately charged against account #623, employee benefits.

Col. 9 - Salary Adjustment - This column is to be used for all entries not provided for in prior columns. As there is no code number for this column, each and every entry must be explained in the Remarks column. In addition, the number of hours is not to be recorded in this column - only the dollar amount. Entries will include:

a. An addition to an employee's earnings as the result of the underpayment on a previous pay period.

b. A reduction of earnings as the result of an overpayment on a previous pay period. This entry must be enclosed in brackets to insure it will be treated as a deduction.

c. A partial pay period payment to a salaried employee. See explanation of Regular Hours, Column 5.

Col. 10 - Earned Vacation Hours/Earned Sick Leave Hours - The computer will automatically log in this area any sick leave or vacation hours accrued. It will delete hours taken and show the current accrual balance. See policies on vacation and sick leave for explanation.

Col. 11 - Remarks - This column is to be used for the following entries:

a. An explanation must be recorded for all entries in the Salary Adjustment column, including the number of days a salaried employee is being paid for.

b. A notation is to be made for the reason no time is being submitted for an employee. Generally, the reason is that the employee is part-time, on call, on a leave of absence, or is ill.

c. The number of the payroll form (SPP-49, BHC-312, or BHC-52) being submitted with the Input Sheets is to be listed for each employee.



Col. 12 - Credit Weeks - The following states require recording Credit Weeks in the "Credit Weeks" column. Criteria for each state is indicated below:

Florida - Any work performed in a work week is considered toward a credit week.
Minnesota - One must earn at least $50.00 in a work week to earn one credit.
California - One must earn $20.00 per work week to earn one credit week.

Col 13. - Daily & Weekly Hours - This column is for recording the daily hours worked by each employee. Daily, regular and overtime hours are to be added together and entered into the appropriate section of this column. Actual hours worked are recorded here. Daily or periodic posting of weekly hours will assist in timely completion of the payroll at the end of the payroll period. This section may also assist in compiling labor information for the daily flash reports. This area provides written documentation for state and federal record keeping purposes.

Col. 14 - Employee Signature - The employee is to sign this area of the restaurant copy payroll input sheet upon receipt of the paycheck so verifying correct payment. This second copy of the payroll input sheet is designed in such a way that the rate of pay is not legible.

On each page of the Input Sheets, Columns 5, 6, 7, 8, and 9 must be added and the total recorded at the bottom. At the bottom of the last page, the grand total of the columns from all sheets is to be recorded.

SAMPLE INPUT SHEET -

A completed Input Sheet with examples of how to record the input information is included as Exhibit 2A & 2B. An explanation of each example, numbered to correspond with the Input is as follows:

1. Salaried Employee - Full Pay Period

2. Salaried Employee - One Week

3. Salaried Employee - Eight Days

4. Salaried Employee - Different Job Second Week

5. Salaried Employee - Five Days at One Job, Seven Days at another

6. Hourly - Regular
7. Hourly - With Overtime
8. Hourly - Same Account Number but Two Different Jobs with Different Rates
9. Hourly - Different Account Number and Two Jobs, both with Different Rates
10. Sick Leave Pay
11. Vacation Pay
12. Holiday Pay
13. Group Insurance and Garnishment Deductions
14. Salary Adjustment - Underpaid on Last Pay Period
15. Terminated Employee, no hours.
16. Leave of Absence, no hours.
17. Part-Time Employee, no hours
18. Number of Credit Weeks - (Credit Week Column)
19. Salaried Employee with One Regular Week and One Week Vacation
20. New Employee with Form Number in Remarks Column
21. New Employee Hired, Terminated, and Paid by a cash paid out by location funds.
22. Column Grand Totals

The original copies of the Input Sheets, together with all necessary payroll forms, are to be mailed "Special Delivery" no later than noon on Saturday following the end of the pay period to:

Mize Houser Mehlinger & Kimes
Professional Association
First National Bank Building
#1 Townsite Plaza
Topeka, KS 66603
Attn: Payroll Department
(913) 233-1016



If the payroll input forms will arrive later than noon Monday, following the end of the pay period, the manager must call the payroll department at MHMK.

9. Personnel Action Form - MHMK will send a computer typed Personnel Action Form (BHC-52) to the location for each active employee. This form is to be filed in the employee personnel envelope. Upon receipt, carefully review the PAF for accuracy.

   When the status of an employee changes, MHMK must be notified. The status change may be in relation to the employee's name, address, marital status, number of dependents, payroll account number, rate of pay, etc.

   The change in status is to be submitted to MHMK on the employee's Personnel Action Form (BHC-52). Send the white copy only. The yellow copy is to be retained in the personnel envelope. The new information is to be computer typed data. Only items entered will be changed, all other data will remain the same. A discussion of nonself-explanatory sections of this form follows:

   a. Wage Review Date - MHMK will input a six-month and yearly review date for each employee. If a wage review is to be conducted at an alternate time, this date must be indicated manually for MHMK to compute input. If an employee receives a promotion, the next review date is to be programmed in manually by the manager.

   b. Overall Rating - this section is to be completed after completion of the NON-EXEMPT EMPLOYEE PERFORMANCE REVIEW. The number inserted here will be the Performance Review Score Total divided by fifteen, and rounded to the nearest whole number. The Non-Exempt Employee Performance Review, found on the opposite side of the Personnel Action Form, must be completed for all wage increases of non-exempt personnel.

   c. Effective Increase Date - Pay raises will always become effective on the first day of the pay period.

   d. Type - Select the appropriate code (one number) from the list provided on the Personnel Action Form.

   All wage increases and requests for leave of absence require approval by the manager and district manager (or two levels of management with at least one being of the district manager level). Mize Houser Mehlinger and Kimes will not forward forms to the district manager for signature.

10. Non-Exempt Performance Review - for promotions or increases, complete the non-exempt performance review on the opposite

side of the Personnel Action Form (BHC-52). Be careful to reverse the carbon paper when completing the performance review sheet. Replace the carbon in the original position before inputting the promotion/raise information.

THE WHITE COPY OF THE PERSONNEL ACTION FORM (BHC-52) IS TO BE FORWARDED TO MHMK AND THE REMAINING COPIES ARE TO BE RETAINED IN THE EMPLOYEE'S PERSONNEL ENVELOPE.

Exhibit #1

PAYROLL INPUT

ORIGINAL COPY TO BRNSK

(DO NOT WRITE IN THIS BOX)

EMPLOYEE SIGNATURE

1 2 3 4 5 6 7 8 9 10 11 12 13

THIS SHEET TOTALS

GRAND TOTAL (FOR LAST SHEET ONLY)



Exhibit #2A

PAYROLL INPUT
ShowBiz Pizza Place, Inc

NUMBER 111 NAME DODGE

PAY PERIOD ENDING 11 2 85

ORIGINAL COPY

Employee	Do Not Write Code	Do Not Write Amount	Hourly / Rate	Account #	Reg Hrs Total	OT Hrs Total	Total Hrs	Other Earnings Code	Other Earnings Hours	Salary Adjustment	Earned Vacation / Sick Hrs	Remarks	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Total
514 40 5406 M 2			612.00	602	1.00		1.00													
1																				
			316.00	602	.50		.50													
2																				
			425.00	602	–		–			283.36		8 DAYS								
3																				
			378.00	602	.50		.50													
4			378.00	740	.50		.50													
			400.00	602	–		–			166.65		5 DAYS								
5			400.00	602	–		–			233.35		7 DAYS								
			3.35	607	80.00		80.00						8	8	8	8	8			40
6													8	8	8	8	8			40
			3.35	607	80.00	3.75	83.75						8	8	8	8	8			40
7													8	8	8	8	8	3.75		43.75
			3.35	607	30.00		30.00						5	5	5	5	6	4		30
8			3.60	607	12.00		12.00						7		5					12
			3.35	607	40.00		40.00						8	7	7	8	8	2		40
9			3.60	740	20.00		20.00								7	7		6		20
			3.35	607	36.00		36.00	13	8.00		30	SICK	8	8	8	8		4		36
10			3.60	607	48.00		48.00				24	LV								
			3.35	607	40.00		40.00	12	30.00		34	VAC	4	5			4	4	5	22
11											36			4	5	4	5			8
			3.35	607	70.00		70.00	11	8.00			HOL		6	6	6	6	6	8	38
12												PAY		8	8	8	8	2	6	40
	10	4.50	3.35	607	65.00		65.00						8	8	8	8	8	8		48
13	17	10.00													8	8	1			17
THIS SHEET TOTALS					475.50	3.75	479.75		40	[illegible]										
GRAND TOTAL (FOR LAST SHEET ONLY)																				



OPERATIONS MANUAL

Exhibit #2B

PAYROLL INPUT
ShowBiz Pizza Place, Inc.

NUMBER: 111 NAME: DODGE

Social Security Number / Last Name	Hourly Rate	Account #	Reg. Hrs. Total for 2 Week Period	O.T. Hrs. Total for 2 Week Period	Total Hrs. (Reg. and O.T.) for 2 Week Period	Other Income Code	Other Income Hours	Salary Adjustments	Earned Vacation / Earned Sick	Remarks	Alt. Pay	Week 1 Hours (Sat Sun Mon Tue Wed Thu Fri)	Week 1 Total	Week 2 Hours (Sat Sun Mon Tue Wed Thu Fri)	Week 2 Total
14	3.45	607	40.00		40.00			6.00		UNDER PAID		Sun 8, Mon 8, Fri 8	24	Sun 8, Mon 8	16
15	3.35	607								SPP 52 TERM					
16	3.35	607								LEAVE OF ABS. SPP 5					
17	3.35	607								PART TIME					
18	3.35	607	80.00		80.00						2	8 8 8 8 8	40	8 8 8 8 8	40
19	3.75	602	.50		.50	12	.50		100 / 60	ONE WEEK VAC					
20	3.35	607	32.00		32.00					SPP 50 NEW EMP				8 8 8 8	32
21	3.35	607	--		--					SPP 52+49 TERM		Sun 6	6		
This Sheet Totals (22)			152.50		152.50		.50	6.00							
Grand Total (For Last Sheet Only)			628.00	3.75	632.25		46.50	689.36							

ORIGINAL COPY TO MMMX



Exhibit #2C

Payroll Period Ending ____________

PAYROLL INPUT - DAILY HOUR RECORD WORKSHEET

Instructions: Use this worksheet to record hours (and fraction of hours to the nearest hundreth recorded in decimals) worked for each employee on a daily basis. At the end of the payroll period these hours are to be recorded onto the actual payroll input sheet.

EMPLOYEE NAME		SAT	SUN	MON	TUES	WED	THUR	FRI	TOTAL
	WEEK 1								
	WEEK 2								
	WEEK 1								
	WEEK 2								
	WEEK 1								
	WEEK 2								
	WEEK 1								
	WEEK 2								
	WEEK 1								
	WEEK 2								
	WEEK 1								
	WEEK 2								
	WEEK 1								
	WEEK 2								
	WEEK 1								
	WEEK 2								



Exhibit #3

PAYROLL ACCOUNT NUMBERS

Account #	Employee Position
060200	Operations Management including the manager and assistant managers.
060600	Games Labor including the assistant electronic specialists, play room attendants, and merchandise cashiers.
060601	Electronic Specialist/Technical Manager
060700	Food and Beverage Labor including all hourly restaurant personnel whose main functions are food, beverage, or dining room related.
060701	Intern account including any hourly personnel approved by the District Manager and corporate Human Resources.
060800	Birthday Telephone Line Operator - Account including only those hours used for answering the birthday line and making reservations.
074000	Security Personnel - Personnel hired on a contract basis with services paid through paidouts from the entertainment center's cash funds.

STATUS CODES

Disability	(Y) Disability (N) No Disability
Military	(V) Vietnam Veteran (60-73) (N) No Military
	(O) Other than Vietnam Military Service
Union	(Y) Yes (N) No

STATUS CODES (cont)

Citizenship	(Y)	U.S. Citizen (N) Not U.S. Citizen
	(F)	Foreign Funded Alien
Employment	(F)	Full Time (40 Hrs. per Wk.)
	(P)	Part Time
	(T)	Temporary or Seasonal
Minority	(A)	American Indian
	(B)	Black
	(C)	White
	(O)	Asian or Pacific Islander
	(S)	Hispanic

UNEMPLOYMENT CODES

LACK OF WORK

A0 - Lay off-Permanent
A1 - Lay off-Temporary

RETIRED

Z1 - Voluntary
Z2 - Compulsory
Z3 - Labor Contract

DISCHARGED

D1 - Absenteeism
D2 - Inabililty to work (illness)
D4 - Tardiness
D5 - Violation of rules
D6 - Insubordination, refused to obey instructions
D8 - Under influence of drugs or intoxicant
D9 - Resignation in lieu of discharge

DEATH ONLY

DH

QUIT

Q0 - Personal (family obligations)
Q1 - Illness, injury - job related
Q2 - Illness, injury - non-job related
Q3 - Left area - relocation
Q4 - Pregnancy
Q5 - For other employment
Q6 - To attend school
Q7 - Dissatisfied with job
Q8 - Absent without report
Q9 - Other (Explain)

LABOR DISPUTE

SO - Immediately call Gates McDonald

TRANSFER CODE

TO - Intercompany transfer

LEAVE OF ABSENCE

LO

REHIRE CODES

1 - Eligible for rehire
0 - Not eligible for rehire



OPERATIONS MANUAL

Procedure # 202
Title: Paying the Employee

Section: Payroll
Effective Date: 2-26-86

Payment on Regular Pay Dates

A. General Information

When the payroll is received from MHMK, the checks are to be separated and readied for the Saturday payday. The following forms and reports will accompany the checks:

1. Payroll Journal (Exhibit #3)
   This is a listing of earnings and deductions by employee for the pay period.

2. Other Deductions Listing (Exhibit #5)
   A breakdown of the "Other" deduction column of the Payroll Journal.

3. Group Insurance Eligibility Report (Exhibit #8)
   A list of employees who will become eligible to enroll in this program within the near future.

4. Group Insurance Master File Listing (Exhibit #4)
   A listing of those employees currently enrolled in the group insurance plan.

5. Labor Distribution Report (Exhibit #6)
   A listing of the dollar amount and number of hours charged to each payroll account number.

6. Analysis of Annual Hire Date for Merit Raises (Exhibit #7)
   This report is designed to provide the Manager with automatic and merit wage increase information.

7. SSN Report
   This report lists all those employees without valid social security numbers.

8. Labels
   These are self-sticking time card labels of all non-exempt employees.

9. Input Sheets (Exhibit #1)
   Input Sheets for the next pay period.

All payroll sheets must be filed in one place and retained for three years.



B. Unclaimed Checks

Payroll checks which are not delivered to employees within thirty days are to be voided and returned to MHMK. They are to be included with the Input for the following pay period. If the employee claims the check after it has been returned to MHMK, it will be necessary to notify MHMK of the claim and request reissuance of the check.

C. Stop Payment Procedures

When a payroll check has been lost or stolen, a stop payment request must be made to MHMK. Upon receipt of confirmation of the stop payment order from the bank, MHMK will reissue the check two (2) banking days later. Under no circumstances is cash to be issued by the restaurant to replace checks for which stop payment orders have been requested.

D. Distributing Paychecks

The manager or assistant manager is to personally distribute all paychecks. The employee is to compare the paycheck with the weekly hour section of the payroll input sheet and sign the sheet indicating full compensation for hours worked. The paycheck number is to be recorded on the payroll input sheet. (Exhibit #9)

In addition to the above, the following must be written on all final paychecks:

"Endorsement of this check by the payee constitutes a full and final release of all claims whatsoever by payee now or hereafter arising against the payor, its parent company, subsidiaries, and affiliates, as well as all officers, directors and employees thereof."

E. Pay Check Law

California and Florida require a notation printed on location payroll checks stating where the payroll check may be cashed.

EXAMPLE: Check can be cashed at

CROCKER NATIONAL BANK #215
555 Acme Rd.
Anywhere, CA 55500

Managers of California and Florida location are to advise MHMK Payroll department if no notation or an incorrect notation is being printed on their location payroll checks.



OPERATIONS MANUAL

Exhibit #3

PAYROLL JOURNAL

LOCATION NAME: [illegible] SHOWBIZ PIZZA PLACE H Q

SHOWBIZ PIZZA PLACE, INC — PAGE 1 — PAY PERIOD ENDING [illegible]

SOCIAL SECURITY NUMBER	NAME			EARNINGS				DEDUCTIONS						NET	CHECK NUMBER
	LAST	FIRST	MI	REGULAR	OVERTIME	MEALS & TIPS	OTHER	FEDERAL	FICA	STATE	LOCAL	MEALS & TIPS	OTHER		
[illegible]		DAVID	W	692.31				96.39	46.04	14.50	6.92		33.66	494.80	6252
[illegible]		GARLAND	W	750.00				101.01	49.88	14.63			33.66	550.82	6253
[illegible]		GARY	[illegible]	480.09				85.28	31.92	10.81				351.09	6254
[illegible]		THOMAS	E	692.31				105.62	46.04	10.38			33.66	496.61	6255
[illegible]		HARVEY	J	653.85				87.17	43.48				33.66	489.54	6256
[illegible]		DEBBIE	A	376.35	60.38			68.82	27.71	11.48			9.15	289.53	6257
[illegible]		THOMAS	M	387.35	11.25			50.33	26.51	8.64	3.98			309.14	6258
[illegible]		JAY	A	400.00	89.63			77.78	32.56	13.06				366.23	6259
[illegible]		MICHAEL	J	769.23				134.96	51.15	20.05			33.66	529.81	6260
[illegible]		LOUIS	C	634.62				66.97	42.20	9.49			33.66	482.10	6261
[illegible]		JOANNE		334.88				42.32	22.27	6.20				264.07	6262
		TOTALS		6170.83				916.25		119.54				4624.54	
		TOTALS			161.27				419.76		10.90		211.11		11
[illegible]		William	R	557.69				103.70	3709					416.90	7179
		totals		6728.52	161.27			1019.95	456.95	115.54	10.90		211.11	5051.44	

Exhibit #4



Exhibit #5

OTHER DEDUCTIONS PAYROLL JOURNAL 9/20/80 PAGE 1
DATS SHOWBIZ PIZZA PLACE # 0

SOC SEC NO	NC	GROUP INS	CREDIT UNION	HLTH INS	DISAB INS	SAL CONT	UNIF	SAL ADV	GARN	UNION DUES	OTHER 20
076474477	FE	30.86									
255065819	OI	16.36									
281376123	RA	40.51									
243327429	MI	39.14									
269422094	ME	19.03									
344344305	BR	16.36									
355147293	JE	21.29									
436481740	PO	40.96									
457682649	CO	40.96									
475362676	OR	39.69									
479673844	KO	33.66									
484535612	NI	33.66									
494544719	CE	18.59									
497564779	CO	30.23									
509545168	SU	38.59									
510321413	RI	39.59									
5105-4086	FI	9.15									
511489233	PH	40.67									
513343756	NI	38.04									
513578140	CH	9.15									
513677777	MI	19.07									
514282[illegible]	EU	20.74									
514488101	PA	40.96									
515167447	TH	33.66									
51542l 67	MA	37.31									
522462135	WI	9.15									
523641539	MA	39.14									
573705276	LO	38.96									
545073867	MA	16.36									
		869.37									



OPERATIONS MANUAL

Exhibit #6

LABOR DISTRIBUTION 9/28/80
0075 SHOWBIZ PIZZA PLACE H O

ACCT NO	DEBIT	CREDIT	HOURS
034500		27,391.34-	
034900		8,854.72-	
035200		959.43-	
035600		88.94-	
037200			
205000	400.00		80.00
602002	3,314.83		276.75
602003	2,631.55		273.50
602004	864.62		96.00
602005	1,723.61		183.25
602006	1,269.24		96.00
602007	3,452.87		289.00
602008	7,065.71		574.50
602009	1,865.30		177.00
602010	1,615.39		96.00
602011	9,022.70		1,140.00
605006	4,717.98		670.25
620003		78.55-	
620004		37.31-	
620005		39.69-	
620006		154.11-	
620007		61.70-	
620008		175.67-	
620009		40.60-	
620010		40.96-	
620011		240.78-	
TOTAL	38,163.80	38,163.80-	3,952.25



OPERATIONS MANUAL

Exhibit #7

PAY DATE 11/03/88 ANALYSIS:006 ANNUAL.BASE DATE .00 PERIOD END DATE 10/12/88

675 SHOWBIZ PIZZA PLACE H O FOR MERIT RAISES

LOC	EMPLOYEE NAME	SSN	ACCT. NUM	RATE FROM	RATE TO	HIRE DATE	DESCRIPTION
675	PAULA J	507-80-0971	602002	.560	. 8	4/07/88	6 MO. INCREASE



Exhibit #8

PAY DATE 3/23/81 **Group Insurance Eligibility Report** PERIOD END DATE 3/15/81 SBP003

675 SHOWBIZ PIZZA PLACE H Q

LOC	EMPLOYEE NAME	SSN	G/L ACCT	WAGE REVIEW	HIRE DATE	
0675	[illegible]	347304483	205000	7/01/81	12/22/80	PROBATIONARY REVIEW - PERIOD END - 3/22/81
0675	SKINNER	296583092	205000	7/01/81	12/20/80	PROBATIONARY REVIEW - PERIOD END - 3/20/81
0675	HIGGS	415927227	205000	1/20/81	7/20/80	WAGE REVIEW
0675	[illegible]	445562036	205300	8/01/81	1/05/81	PROBATIONARY REVIEW - PERIOD END - 4/05/81
0675	CRAMM JR	479748061	205000	7/01/81	12/29/80	PROBATIONARY REVIEW - PERIOD END - 3/29/81
0675	LARSON	486342050	205000	7/01/81	1/07/81	PROBATIONARY REVIEW - PERIOD END - 4/07/81
0675	SPROUL	486723077	205000	7/01/81	1/07/81	PROBATIONARY REVIEW - PERIOD END - 4/07/81
0675	THAMMON	488304142	205000	8/01/81	1/05/81	PROBATIONARY REVIEW - PERIOD END - 4/05/81
0675	MANN S	493702065	205000	7/01/81	1/07/81	PROBATIONARY REVIEW - PERIOD END - 4/07/81
0675	[illegible]	512587239	205000	7/01/81	1/05/81	PROBATIONARY REVIEW - PERIOD END - 4/05/81
0675	RIESENER	513589074	205000	7/01/81	1/07/81	PROBATIONARY REVIEW - PERIOD END - 4/07/81
0675	HIGGINS	513607077	205000	2/18/81	8/18/80	WAGE REVIEW
0675	SARGENT	513622820	205000	7/01/81	1/07/81	PROBATIONARY REVIEW - PERIOD END - 4/07/81
0675	WATERS	515607901	205000	7/01/81	1/07/81	PROBATIONARY REVIEW - PERIOD END - 4/07/81
0675	VIVENS	515822942	602004	3/15/81	9/15/80	WAGE REVIEW

Exhibit #9



PAYROLL ACCOUNT

CHECK NO. 000986

PAY TO THE ORDER OF

DATE	CHECK NO.	AMOUNT

SAMPLE
NON NEGOTIABLE

SHOWBIZ PIZZA PLACE, INC.
PAYROLL ACCOUNT

CITIBANK, N.A.
NY, NY 10043

⑈000986⑈ ⑆021000089⑆ 40020292⑈

SHOWBIZ PIZZA PLACE, INC. TOPEKA, KANSAS 66611

LOC #	EMP #	NAME	SOC. SEC. NO	PERIOD ENDING

CURRENT EARNINGS	CURRENT DEDUCTIONS
TOTAL EARNINGS	TOTAL DEDUCTIONS

YTD EARNINGS	YTD W/TAX	YTD FICA	YTD STATE W/H	YTD LOCAL TAX	CK NO	NET CHECK



Termination/Transfer Payroll Procedures

When an employee is terminated or transferred, the completion of the following forms must be accomplished:

1. Personnel Action Form

   The Personnel Action Form is to be completed at the time of termination/transfer with the following information (distribution is to be per instrucions on each copy):

   a. Entertainment center location in which employee is transferring.

   b. Last day worked.

   c. Termination Code - Select from the list on Personnel Action Form. Write explanation of termination directly on the BHC-52, Personnel Action Form. Obtain written resignation if employee is quitting and place such in personnel envelope.

   d. Rehire Code - From list on Personnel Action Form. (For terminated employees only).

   e. When a termination, reduction in hours or layoff occurs:

      1. Fill out the Personnel Action Form immediately. Do not wait until preparing payroll.

      2. Provide complete details on the reason for separation pertaining to resignations and discharges with cause. For all separations, list any terminal payments made (holiday, vacation, sick pay, severence pay and/or dismissal pay). Fully complete the explanation section of the Personnel Action Form along with unemployment code, rehire code and last day worked (paid through).

      3. Send the Green copy, the same day if possible, to the local Gibbens Company District Office. (See unemployment procedures.)

   Labor Disputes: In the event of a work stoppage due to a labor dispute, please notify The Gibbens Company District Office immediately. Please furnish the beginning date of the dispute and the issues involved.



OPERATIONS MANUAL

1. Personnel Action Form (Cont'd)

Lay Offs: In the event of a reduction in the work force involving multiple employees, please notify the Gibbens Company District Office immediately. Please furnish the name, social security number, last day worked, expected date of return and separation payments for each employee involved.

Refusal of re-employment: If an offer of work after lay off is refused by a former employee, inform the Gibbens Company District Office by telephone the same day the refusal occurs. Please furnish the type of work, hours of employment, rate of pay offered, date on which employment would have started, and the reason for the refusal.

2. Salary Receipt (SPP-49)

If an employee is paid by cash at the entertainment center, this form is to be fully completed and the copies distributed as per instructions on each. 7.05% FICA to be deducted on all wages except sick pay. The net amount paid to the employee is to be recorded as a 348 expense on the Weekly Report of Cash Purchases, SPP-70.

3. Personnel Envelope

After the termination, all personnel records on the employee are filed in the Personnel Envelope, and all pertinent information recorded on the outside of this envelope, the Personnel Envelopes with all contents, including final BHC-52, Personnel Action Form, indicating completion of the termination by MHMK, is to be forwarded to the Home Office Personnel Archives. It is imperative that the termination date be recorded on the outside of the personnel envelope. The Entertainment Center can retain address and telephone numbers of those employees eligible for rehire. In addition to the above, the following must be written on all final paychecks:

"Endorsement of this check by the payee constitutes a full and final release of all claims whatsoever by payee now or hereafter arising against the payor, its parent company, subsidiaries and affiliates, as well as all officers, directors, and employees there of."



OPERATIONS MANUAL

GROUP INSURANCE

FOR BHC EMPLOYEES ONLY

The BHC Employee Group Insurance Plan, written by Connecticut General Life Insurance Company, offers a well balanced program of life insurance and health benefits. Details of the plan are incorporated in the BHC Employee Guidebook.

All employees should be thoroughly familiar with the plan prior to eligibility for enrollment. A full-time, non-exempt employee becomes eligible to participate in the insurance program after three months of continuous employment working an average of forty (40) hours per week during this period. Management are eligible upon their first day of employment. Near the end of this period, MHMK will submit the employee's name to the Manager on the Group Insurance Eligibility Report.

Enrollment

1. Acceptance - The two-part Enrollment Card must be fully completed if the employee wishes to enroll in the program, selecting either single or family coverage. The "New Enrollment" blank is to be checked and both copies submitted to the Corporate Benefit Insurance Administrator for processing. An employee who fails to enroll within 30 days from date of eligibility must complete a Statement of Physical Condition form. This form must be fully completed, signed and witnessed. The insurance company will then make the determination as to whether or not the employee is insurable.

A wallet size I.D. Card will be issued to the employee after he has been added to the insurance program. This card shows the employee's first and middle initials and last name, family or single coverage (indicated by "yes" or "no"), and employee individual certificate number. The expiration date on the card is the date the particular card expires, and has nothing to do with insurance termination date. Upon expiration of the card, a new one with a new expiration date will be issued.

In addition to the I.D. Card, the insurance company will also provide each insured employee with a certificate booklet (policy) detailing scheduled benefits.

2. Refusal - If the employee declines the insurance program, this is to be indicated on the employee's Personnel Envelope. For management personnel, the word "Refused" is to be marked on the enrollment card. The "refused" enrollment card will be maintained in the management personnel's records.



3. <u>Ineligibility</u> - If the employee does not average forty (40) hours work per week, he/she is classified as a "part-time" and therefore ineligible to participate.

4. <u>Reinstatement Following Rehire</u> - A re-hired employee who has enrolled in the insurance program at the time of termination may apply to be reinstated provided he/she does so within one year of the date of original termination. A new enrollment card must be fully completed at this time. The insurance will become effective the date the card is signed following the return to work provided said date is within 30 days of the date of rehire.

If the signature date is more than 30 days after eligibility date (date employee returned to work) a Statement of Physical Condition form will be sent to the employee for completion. The insurance company will then make the determination as to whether or not the employee is insurable.

<u>Change In Status</u>

1. <u>From Single to Family Coverage</u> - An insured employee who elected single coverage when he originally became eligible for the insurance plan, becomes eligible for benefits when he first acquires an eligible dependent. Eligible dependents include:

A. The employee's wife or husband.

B. The employee's children (born of, adopted by, and step-children of the employee in a normal parent/child relationship) who are 14 days but less than 19 years of age and unmarried. Benefits on eligible children should be cancelled on the child's 19th birthday. (See D for exception). It is the employee's obligation to notify the Benefit Insurance Administrator when the 19th birthday is reached.

C. The employee's unmarried children 19 years of age or over who are mentally or physically incapable of earning a living and with respect to whom the employee has submitted proof of such incapacity to the Insurance Company within 31 days after attainment of age 19.

D. Children who are unmarried full-time students and primarily dependent upon the employee for support are eligible for family member benefits up to age 23.

An employee may select the family coverage by marking the "Other" blank on the Enrollment Card and writing "Status Change" on the line. The "Family" coverage block also should be marked along with filling in the employee's name, social security number, signature and date. A new Enrollment Card will be sent to the employee indicating he now wishes family coverage.

An employee who elects the Dependent's Benefits more than thirty (30) days after he/she becomes eligible for such benefits must complete a Statement of Physical Condition form in regards to the dependents he/she desires covered by his/her health insurance. The form must be fully completed, signed, dated and witnessed. The insurance company will then make the determination as to whether or not the dependent is insurable.

If an employee has had "Family" coverage with one dependent and acquires another dependent, the second dependent will be automatically insured.

2. From Family to Single Coverage - When an employee no longer desires to carry family coverage or existing dependents become ineligible, the "other" block should be checked and the words "Status Change" be recorded. The "single" coverage block must also be checked and the employee's name, social security number, signature and date recorded.

3. Change in Beneficiary - When an employee elects to change his/her beneficiary, the "Other" blank on the Enrollment Card is to be checked and the words "Status Change" recorded. The name of the new beneficiary, relationship to the employee, and the employee's name, social security number, signature and date must be recorded. Upon receipt of the card, a Change Of Beneficiary form will be forwarded to the employee for completion. It is to be fully completed and returned to the Corporate Benefit Insurance Adminstrator.

4. Other Status Changes - In the event there is a change in the employee's name, social security number, or department employed, the new information is to be recorded on an Enrollment Card in the appropriate spaces, and the "Other" box checked and change described on the line.

Withdrawal

If an employee wishes to terminate all insurance coverage, check the "Terminate Coverage" box of the Enrollment Card and record the date, employee's name, social security number and employee's signature. The employee may apply to be reinstated in the future by completing the Statement of Physical Condition Form.



Leave of Absence

If an employee wishes to go on a leave of absence, the Leave of Absence Request Section of the SPP-52, Personnel Action Form, must be completed. If the employee wishes to cancel his insurance, the cancellation date will be the first day of the Leave of Absence. However, when the employee returns to work, the insurance can be reinstated without a waiting period provided a new Enrollment Card and a letter of request for reinstatement is received by the Group Insurance Administrator within one year from the date the insurance was cancelled. The insurance will become effective the date the Enrollment Card is signed following the return to work by the employee, provided said date is within 30 days of the date the employee returns.

If an employee wishes to continue to participate in portions of the insurance program while on leave, he/she must make the request in writing and must pay the total cost of coverage. This amount is the Bi-Weekly Premium as recorded on the Group Insurance Master File Listing. The amount is not the previous period employee payroll deduction. If the leave commences after the first payday of the month, half of the monthly premium is then due. A check for a full or one-half month premium must be received by Group Insurance Administrator with the completed leave of absence request form as obtained from the corporate benefit insurance administrator. If not, the insurance will be cancelled effective the date the leave was begun. Premiums for future months are due no later than the first day of each month. Payments must be made by check or money order. If the employee fails to keep up the monthly payments, the coverage will automatically be cancelled. Here again, however, the employee can be reinstated at the time he returns to work.

When an employee plans to return from leave, and had been enrolled in the insurance plan at the time the leave commenced, the respective Group Insurance Department must be notified in advance and in writing as to the date of return.

Conversion

The right to exchange Group Insurance for an individual converted policy issued by Connecticut General is available to an employee whose group insurance terminated because of termination of employment or retirement. An employee may convert from a group to an individual policy provided:

1. The employee has been insured under the group plan for at least three consecutive months prior to the termination of the insurance.

2. The employee is not eligible for Medicare or any other government sponsored hospital/surgical insurance.



3. The employee is not covered under another group plan for similar hospital or surgical benefits which together with the converted policy would result in over-insurance or duplication of benefits.

If the employee is eligible for conversion he/she must apply within 31 days following the date of termination. When the Group Insurance Administrator has been notified of the employee's request, a Conversion Application will be forwarded.

Death Claim

Upon the death of an insured employee, the Group Insurance Administrator should be notified immediately. A Proof of Death form will be sent to the Manager for completion by him and the descendant's family. All requested information is to be supplied and returned to said office immediately. The death claim form and enrollment card will then be forwarded to Connecticut General for processing and payment of the claim.

Health Insurance Claims

The Health Insurance Claim Form is to be completed for all claims by the employee and physician.

Disability Income Insurance - Management Only

Information regarding this coverage is available from the Corporate Group Insurance Administrator.

All forms and correspondence relating to enrollment, change in status, withdrawal, transfers, leave of absence, conversion or death claims are to be submitted to:

ShowBiz Pizza Place, Inc.
Group Insurance Department
4441 W. Airport Fwry.
Irving, Texas 75062

All forms and correspondence relating to claim processing are to be mailed to:

Connecticut General Life Insurance Co.
Penntower
3100 Broadway, Suite 807
Kansas City, Missouri 64111
861/531-1741

The following states only use the toll free number of 800-821-2135: Kansas, Iowa, Tennessee, Kentucky, Oklahoma. In Missouri, call 800-892-2249.



OPERATIONS MANUAL

Procedure # 302
Title: Property/Personal Injury Insurance
Section: Insurance
Effective Date: 4-18-85

DESCRIPTION:

This section deals with all coverages other than workmen's compensation (employee injury). Refer to section of this manual for more information regarding employee injury.

NOTE: This does not include Worker's Compensation claims and unemployment claims which should be reported in the same manner as in the past. See Workmen's Compensation (Liberty Mutual) and Unemployment (The Gibbens Company) claims procedures in the Confidential Operations Manual.

Effective January 1, 1984, the coverages are carried with various insurance carriers as shown below:

General Liability	- Fireman's Fund Insurance Company
Crime	- Continental Insurance Company
Automobile Liability	- USF & G Insurance Company
Property	- Holland America Insurance Company - Gibralter Insurance Company - National Surety Corporation

Alexander & Alexander of Texas is our insurance agent and their offices are located at 717 North Harwood Street, 19th floor, Dallas, Texas 75201.

All claims, regardless of size or significance, will be reported over the telephone as soon as possible after the incident to:

Ms. Sharon Enberg
Claims Department
Alexander & Alexander of Texas, Inc.
Telephone No. (214) 573-6158

NOTE: This is a direct line number and if you have difficulty, you may call the general Alexander and Alexander office number, 214/741-5171 during normal business hours. After 5:00 p.m. there will be a recording at this number and you can leave a message. An Alexander & Alexander representative will return your call first thing in the morning.

A Brock Hotel Corporation Incident Report must be completed for all incidents other than automobile. Copies of the Brock Hotel Incident Report are to be distributed as indicated on the form.



Alexander & Alexander will take details of each claim over the telephone. They will then verify coverage and relay the information to the appropriate insurance company's claim office nearest the accident scene. This centralized control for reporting will ensure that the claim, along with the coverage verification is reported promptly to the proper adjusting office, and it will also facilitate the gathering of the data necessary for the monthly risk analysis reports.

In addition, we will make certain that you receive proper adjustments according to the policy terms and conditions. Should you feel the claim is not being properly handled by the insurance company, or should technical differences in contract interpretation arise, contact the Alexander & Alexander, Inc. claims manager who will lend professional expertise to negotiate in your best interest. Alexander & Alexander, Inc. will also assist in negotiating the recovery of losses from the responsible parties.

"Insured" losses will be handled promptly by the insurance company's claims representative. Deductible amounts for these losses will be paid by the home office of Brock Hotel Corporation and subsequently be billed to the property by expense allocation.

COVERAGES

I. Property
- "All Risk" (fire, wind, vandalism, etc.)
- Earthquake
- Flood

Insures: real property, contents, rental income, business interruption, signs

II. Comprehensive General Liability

Insures:
Premises and Operations
Escalators
Independent Contractors
Completed Operations
Products
Personal Injury (Customers - Not Employees)
Advertising Injury
Medical Payments ($1,000 each person--Customers--Not Employees)
Liquor Law/Dram Shop
Incidental Medical Malpractice
Employee Benefit Liability
Fire Legal Liability ($50,000 each occurrence)
Dram Shop



III. Comprehensive Crime - Self Insured

IV. Comprehensive Auto Liability (all owned, non-owned and hired)
- Bodily Injury and Property Damage Liability
- Uninsured/Underinsured Motorists (where required)
- Personal Injury Protection (where required)
- Physical damage:
  - Collision - all scheduled owned and leased vehicles
  - Comprehensive - all scheduled Private Passenger vehicles
  - Fire, Theft, Combined Additional Coverage - all scheduled commercial vehicles

EXPLANATION

I. Property Damage Insurance (Fire, etc.)

All buildings and equipment are insured against loss due to fire, lightning, windstorm, hail, explosion, riot, strike or civil commotion, damage by vehicles, and from vandalism or malicious mischief.

Personal Property (contents), window glass and outside signs are insured.

Claims Procedure - Property Damage

Take immediate steps to secure the property to prevent further damage and/or a hazardous condition that could lead to additional damage to property or injury to persons.

Restore fire protection system (if used); recharge extinguishers, etc.

Prepare a Brock Hotel Corporation Incident Report with detailed information about the accident. Report the damage to Alexander & Alexander by telephone and follow up with a copy of the Brock Hotel Corporation Incident Report. Retain one copy in your file for follow-up of claims on the monthly accident loss reports from Alexander & Alexander. Send copies of the report as designated on the form.



Work with the Insurance Company Adjuster and District Manager for guidance on the bid process. Assess the damage, and using your best judgement, contact local services for estimated costs for repair or replacement. Depending upon nature of damage, those estimates should be obtained when feasible. If major property damage is evident, contact Alexander & Alexander immediately for assistance in handling the repair and claims settlement.

All losses with estimated costs to repair should be reported immediately to Alexander & Alexander.

II. Comprehensive General Liability Insurance
(Guest Injury, etc.)

This form of insurance protects us against a loss for which we may be held legally responsible, resulting from claims by guests or members of the public for bodily injury or property damage that occurred or are alleged to have occurred on the premises, including the parking lot. This insurance does not include claims for injuries to employees, injuries to emloyees are to be submitted to Liberty Mutual. (See Workmen's Compensation information.)

A guest is a business invitee, and as such is owed exceptional care. Complaints such as falls, burns, and bites into foreign objects in food are common, and such are "bodily injury". Complaints such as damage to clothing from spills or damage to guests' vehicles in the parking lot caused by broken wheel stops or debris can constitute "property damage" claims.

The guest expects and can legally demand exceptional care while on the premises. Therefore, constant exercise of good safety habits and frequent inspection of the premises for hazards that may cause an accident is mandatory.

Claims Procedure

What to do when an accident occurs:

- Give immediate courteous attention to the alleged injured party and arrange for first aid or emergency services as needed.

- The manager on duty during the incident is to complete a Brock Hotel Corporation Incident Report form regarding the alleged injured party with as much detail as possible. Always explain the incident as "allegedly" happening unless the manager actually witnessed the events.



OPERATIONS MANUAL

- Report the incident by telephone to Alexander & Alexander. Forward a copy of the Brock Hotel Corporation Incident Report. Alexander & Alexander will assist you in handling the entire matter. Send a copy of the report as designated on the form.

- Guest claims for food or beverage spills on clothing can be handled by you without a report. A record is to be retained in your files of all such incidents including date, guest's name, damaged item, and cost for cleaning or replacement. These are to be noted on the daily cash report.

- DO NOT ADMIT LIABILITY

III. Comprehensive Crime (Burglary, Theft by an Employee) - Self Insured

It is up to the manager to evaluate crime exposures, maintain loss records, and minimize the risk exposure. Security (protection of resources against internal or external crime) is a manager's function. The coverages are: employee dishonesty with money and securities inside the premises such as safe burglary, robbery cash locked in a drawer, etc., money and securities outside premises by a messenger of the vehicle or in the living quarters of the Manager.

Claims Procedure - Comprehensive Crime

- Take immediate steps to secure the property and to prevent further losses.

- Restore the security system and notify the local police and obtain a copy of their report.

- Contact District Manager at 214-258-8500.

- Mail copies of both the police and the manager's written explanation of the incident to the district manager.



IV. Comprehensive Auto Liability

All motor vehicles owned, leased or hired by the Brock Hotel Corporation are covered under the comprehensive automobile liability policy carried with USF & G Insurance Company. All claims for accidents are handled by the insurance company, the same as for other Property and General Liability claims. The policy covers Bodily Injury and Property Damage, Uninsured and Underinsured Motorists Coverage, (where required by law), Collision and Comprehensive. Note: Commerical Vehicles are covered by Collision, Fire, Theft and CAC (specified perils).

The liability portion of automobile insurance policy consists of two (2) coverages: Bodily Injury and Property Damage. This section of the policy provides protection for the legal liability of Brock Hotel Corporation for bodily injury to third parties or damage to the property of third parties.

The uninsured and the underinsured motorist (where required) coverage acts as a substitute for someone else's liability insurance policy. If you or other employees of the company are injured either in a car or as a pedestrian, by an uninsured motorist or a hit-and-run driver, this coverage pays a claim you would have made against the person at fault if he had insurance and if you knew his identity. It also pays the claims your passengers would have made against the person at fault if he had insurance or you knew his identity. It also pays the claims your passengers would have made up to limits of the coverage.

Personal Injury Protection (where required by law) pays medical, hospital and rehabilitation expenses for the driver and passengers of the insured vehicle. Damage to your car would have to be paid under the collision insurance.

The comprehensive and collision coverages are called the physical damage portion of the policy and pay for any loss or damage to the insured automobile. Comprehensive losses due to theft, vandalism, hail storm, flood, fire, glass breakage, and other non-collision causes. Collision pays for damage to your automobile caused by collision with another object. Comprehensive and collision coverages only apply to owned or long-term leased vehicles.

Claims Procedure

What to do when an accident occurs:

- Obtain emergency services as needed such as first aid, ambulance, policy department, notification.



- Complete the red and white USF&G booklet, found in the glove compartment of the vehicle, (the Brock Hotel Corporation Incident Report is not used for reporting auto accidents) for the accident and give as much detail as possible such as the driver of your vehicle; the driver of the other vehicle; his address, age, occupation, driver's license number and state; the other person's auto insurance company and policy number; time, date, and hour of the accident; officer on the scene of the accident; a list of the injured persons and which car they were in; the damage to property of others. Give a description of the property, name, address of the owner and most important a witness who saw the accident. Give a complete story of the accident by using the diagram, at the back of the booklet, explaining exactly what occurred. Obtain a copy of the official police accident report.

- Report the incident by telephone to Alexander & Alexander. The Alexander & Alexander claims representative will assist you in handling the entire matter.

- <u>DO NOT ADMIT LIABILITY</u>

- Place a new USF&G booklet in the glove compartment of the vehicle for future usage. If you do not have any USF&G booklets on hand, contact the Brock Hotel Corporation Insurance Administrator at (214) 258-8500.

<u>LOSS PREVENTION</u>

The proper use and administration of insurance claims is essential for all operations.

Each location, in the normal conduct of its operation, is exposed to various risks of losses and is required to handle accidents and injuries in a specific manner.

Claims arise from the following exposure to loss:

1. <u>Property Insurance</u> - Losses resulting from damage to the building and equipment due to fire, wind, vandalism, etc.

2. <u>General Liability</u> - Bodily Injury and/or property damage involving customers and member of the public while on the premises.

3. <u>Crime</u> - Employee Dishonesty, money and securities inside premises, safe burglary or robbery from a locked cash drawer, and money and securities outside premises such as a messenger, armored vehicle or living quarters.



4. Auto Liability - Bodily injury to driver or property damage by auto. Uninsured/underinsured motorists pay damages to you for bodily injury which you are legally entitled to recover if injured in an accident caused by an uninsured or underinsured auto. All family and guests riding in your auto are covered. Personal Injury protection pays medical expenses plus lost wages for anyone in your auto.

Safety and Loss Prevention

The cost of insurance compliance with legal requirements, and services are major business expenses and are to be of concern to all Managers.

Safety and Loss Prevention are an integral part of the objective to reduce costs and risks and require participation by all employees to preserve life plus the profits.

The following sets forth some loss prevention techniques that you are to become familiar with and implement where necessary:

Property Damage:

- Clean flues and filters on a regular schedule - maintain file records of inspection and cleaning services.
- Make sure the hand fire extinguishers are charged and inspected regularly and located in prominent places. Instruct your staff members in fire prevention techniques.
- Instruct your staff members what to do in case of fire.
- Keep all emergency exits clear.
- Obey all local fire department ordinances.
- Keep all areas of your entertainment center as clean and uncluttered as possible.
- Regularly inspect parking lot and building exterior for hazardous conditions that could lead to injury or damage to persons or property.

Comprehensive Crime:

- Make a physical inspection of the premises and ask yourself if you were desperately in need of cash, what materials, merchandise, supplies or cash are available? Make a list and then figure out practical ways to minimize the exposure.



- Analyze procedures followed in each location. If cash had been taken, would it become apparent with present procedures? Would irregular activities affecting corporate assets or profits come quickly to the attention of the manager? Is there any convergence of accounting controls to facilitate embezzlement. Once exposures can be pinpointed, procedural safeguards can usually be found.

- Once adequate security controls have been set up, procedures are to be strictly enforced and regularly checked. After all, the best blueprint will not do any good unless put into use beside security control as separately linked to corporate profits.

- Keys are as important as a good lock. They are to be stamped "Do not duplicate". A prudent manager is to install new locks and issue new keys whenever employees in possession of keys leave their jobs.

- Never leave the safe on day lock.

- Never leave the office or storage areas unlocked.

- Make deposits regularly, as described in the cash handling procedures.

- All employees are to use the drop safe as prescribed by company policy.

- Lights, illuminating both the exterior and interior of the premises at night, can efficiently discourage burglars. Safes are not to be concealed in back rooms where a thief can work in privacy, but are to be placed in front of the manager in full view of passersby and patrolling police.

- Inventory is to be made primarily of things that can be taken away. Use a metal etcher and specific I.D. numbers.

Automobiles

Every driver is to understand the "preventable accidents and defensive driving" concepts. A "preventable accident" is one in which the driver failed to exercise every responsible precaution to prevent the accident. RESPONSIBILITY FOR PREVENTING ACCIDENTS GOES BEYOND OBSERVATION OF TRAFFIC RULES.

Operators are to "drive defensively", anticipating the other person's faulty driving and always "leave themselves an out" without endangering other drivers. Responsibility is assigned for lack of compensating action or control, rather than for fault.



Defensive driving is an attitude which must be acquired by all drivers. To avoid accidents, drivers must accept the responsibility and acquire certain habits to recognize accident-producing situations before they become critical. Some of the key practices to be developed are:

- Aim high in steering. (Look Ahead)
- Get the overall picture.
- Keep your eyes moving.
- Leave yourself an out.
- Be sure pedestrians and other drivers see you.

For reference purposes, examples of preventable accidents are:

- Head-on collisions. The driver must remain in his proper lane or he must change lanes, slow down or stop when vehicles approach on his lane, when such action can be taken without additional danger.
- Collision with vehicle ahead. The vehicle ahead suddenly stopping is a common highway hazard. Drivers must always follow at safe distances and have their vehicles under control at all times.
- Accidents due to weather conditions such as darkness, fog, rain, snow, sleet, etc. It is the drivers responsibility to compensate for adverse conditions.
- Pedestrian accidents. A driver should have his vehicle under control at all times and be ready for any unusual circumstances.



OPERATIONS MANUAL

EXHIBIT 1

Brock Hotel Corporation Incident Report

BROCK HOTEL CORPORATION
INCIDENT REPORT
Property/Personal Injury/Crime/Business Interruption
or General Liability Insurance

Time & Date Reported ________

Step 1: The manager is to complete this report with assistance from management personnel on duty during incident.

Step 2: Report all incidents (regardless of size or significance) immediately by phone to Alexander & Alexander.
Telephone #(214)573-6156 or (214)741-5171
A&A Representative: Sharon Enberg

Date of Incident ________

Time of Incident ________

Brock Hotel Corporation Division/Subsidiary:
___ Holiday Inn ___ ShowBiz Pizza Place ___ Brock Residence Inns
___ Park Suite ___ Stevenson's ___ Other

Location Name & Address ________ Location # ________

Manager on Duty: ________ Signature: ________ Date ____ Phone # ________

CLAIMANT Name ________ WITNESS Name ________

Address ________ Address ________

City/State ________ City/State ________

Telephone # Home ________ Bus.# ________ Telephone # Home ________ Bus.# ________

AREA OF PROPERTY THAT INCIDENT OCCURRED

___ 01 Lobby/Entrance
___ 02 Corridor
___ 03 Hotel Room/Bathroom
___ 04 Restroom
___ 05 Swimming Pool
___ 06 Restaurant/Coffee Shop
___ 07 Recreation Area
___ 08 Bar
___ 09 Outside Grounds
___ 10 Showroom
___ 11 Gameroom
___ 12 Banquet Rooms
___ 13 Sports Room
___ 14 Quiet Room
___ 15 Jacuzzi/Sauna
___ 16 Parking Lot
___ 17 Ball Crawl
___ 18 Slide
___ 19 Other ____

Step 3: Check Appropriate Cause of Accident/Incident. More than one may apply.

GENERAL LIABILITY CAUSES

FALL - SLIPPED OR TRIPPED

___ 1A Fall-Slip or Trip/Did not Fall
___ 1B Fall-Slip or Trip/from Ride or Equipment
___ 1C Fall-Slip or Trip/from Slide
___ 1D Fall-Slip or Trip/on cord from Game
___ 1E Fall-Slip or Trip/on electrical cord in walkway
___ 1F Fall-Slip or Trip/on steps or stairs
___ 1G Fall-Slip or Trip/on ramp
___ 1H Fall-Slip or Trip/from balcony
___ 1I Fall-Slip or Trip/from chair or stool
___ 1J Fall-Slip or Trip/on liquid spill
___ 1K Fall-Slip or Trip/in bathtub
___ 1L Fall-Slip or Trip/around Pool or Sauna or Jacuzzi
___ 1M Fall-Slip or Trip/over object or obstruction
___ 1N Fall-Slip or Trip/inside-uneven floor surface
___ 1O Fall-Slip or Trip/running inside
___ 1P Fall-Slip or Trip/Curb or Step or Sidewalk
___ 1Q Fall-Slip or Trip/on ice in parking lot
___ 1R Fall-Slip or Trip/Misc. - Explain

STRUCK BY OR AGAINST

___ 2A Struck by or against/Condiment Rack or Stand or Bar
___ 2B Struck by or against/Table or Chairs
___ 2C Struck by or against/Rides or Equipment or Games
___ 2D Struck by or against/Stationary object
___ 2E Struck by or against/Door
___ 2F Struck by or against/Falling or Flying objects
___ 2G Struck by or against/Misc.-Explain

CUT - PUNCTURE OR SCRAPE

___ 3A Cut-Puncture or Scrape on/Rides or Equipment or Games
___ 3B Cut-Puncture or Scrape on/Pool or Sauna or Jacuzzi
___ 3C Cut-Puncture or Scrape on/Misc.-Explain

STRAIN-SPRAIN OR FRACTURE

___ 4A Strain-Sprain or Fracture/on Rides or Equipment or Games
___ 4B Strain-Sprain or Fracture/Jumping out of or in to
___ 4C Strain or Injured by Misc.-Explain

THEFT

___ 5A Theft/from Room
___ 5B Theft/from car in parking lot
___ 5C Theft/in Restaurant or Entertainment Center
___ 5D Theft/car stolen in parking lot
___ 5E Theft/Misc.-Explain

PRODUCT LIABILITY

___ 6A Food Poisoning
___ 6B Allergic Reaction/Food ingredients
___ 6C Foreign Object in Food
___ 6D Broken Teeth or Dentures/Eating Food
___ 6E Misc.-Explain

CLMT. MISC. [illegible]Y INJURY

___ 7A Altercation
___ 7B Robbery and Assault
___ 7C Robbery/No Bodily Injury
___ 7D Raped or Abducted
___ 7E Homicide
___ 7F Suicide
___ 7G Bug Bites
___ 7H Inhalation - Chemical - Smoke - Fumes
___ 7I Electric Shock
___ 7J Burn on Pizza or Other Hot Item
___ 7K Burn or Scald/Hot Liquids
___ 7L Skin Irritation
___ 7M Eye Irritation
___ 7N Foreign Object in Eye
___ 7O Misc. - Explain

DAMAGE TO CLAIMANT'S PROPERTY

___ 8A Claimant Clothing Ripped or Soiled
___ 8B Claimant Clothing Lost by Cleaner or Hotel
___ 8C Claimant Clothing Damaged/Pool or Jacuzzi
___ 8D Claimant Auto Damaged in Parking Lot/Vandalism
___ 8E Claimant Auto Damaged/Hole in Parking Lot
___ 8F Claimant Auto Damaged in Parking Lot/Rocks, Wind, Chemical or Misc.
___ 8G Misc. - Explain

MISCELLANEOUS CAUSES

___ 9A Liquor Liability
___ 9B Drowning
___ 9C Drunk or Drugs
___ 9D False Arrest or Slander
___ 9E Heart Attack or Stroke
___ 9F Passed Out or Fainted
___ 9G Misc.-Explain

PROPERTY & BUSINESS INTERRUPTION CAUSES

___ 1A Water Damage
___ 1B Fire
___ 1C Hurricane
___ 1D Power Failure
___ 1E Windstorm
___ 1F Ice or Snowstorm
___ 1G Thunderstorm or Hail or Lightning
___ 1H Burglary or Theft
___ 1I Theft from Ride, Game or Equipment
___ 1J Equipment or Rides/Vandalism
___ 1K Damage to Building or Sign/Vandalism or Theft
___ 1L Misc.-Explain

CRIME CAUSES
MONEY ONLY

___ 1A Armed Robbery
___ 1B Beaten and Robbed
___ 1C Burglary or Theft-Money Only
___ 1D Theft from Ride or Game/Money Only
___ 1E Employee Dishonesty/Money or Other
___ 1F Depositors Forgery
___ 1G Misc.-Explain

Step 4:
Explain Incident ____

____

Step 5: Distribution of Copies.

White Mail to:	Alexander & Alexander Risk Information Dept. 717 N. Harwood Street Lock Box #8 Dallas, Texas 75201		
Yellow Mail to:	Dallas Corporate Office Brock Hotel Corporation Attn: Insurance Coordinator 4441 W. Airport Freeway Irving, Texas 75062		
Pink:	To be retained on Property in office file.		

Revised 2-17-84



OPERATIONS MANUAL

DESCRIPTION: Employee Injury insurance (Workmen's Compensation) is carried by Libery Mutual Insurance Company. Policy # JW 62-641-004077-012. This firm will handle all claims except those entertainment centers located in Nevada and Ohio. All forms, payments, reports, etc. are generated and provided by the state in these two areas.

Management is to monitor and limit the employee's exposure to injuries. This is done by:

1. Keeping the injury from happening by providing a hazard-free work environment.

2. Disability management - (managing the claim) Liberty Mutual Insurance Company will work with management to evaluate the claim, monitor the charges, and direct the person back to work as soon as possible.

Two monthly reports on claims will be generated by Liberty Mutual Insurance Company. They are:

1. a compilation of claims turned,

2. a comprehensive effect of post claim cause coding.

It is the responsibility of the management to:

1. guarantee that the Notice to Employee cards are posted in conspicuous places, one being on the required bulletin board,

2. insure that all employees are aware of the company rule requiring the reporting of all injuries,

3. report claims per the procedure herewith,

4. get to know the Liberty Mutual Insurance Company representative who services the entertainment center account.

PROCEDURE FOR CLAIMS ADMINISTRATION:

1. The company who coordinates the corporation's Workmen's Compensation claims country-wide is the Dallas Liberty Mutual Insurance Company Office, 2530 Walnut Hill Lane, Dallas, TX 75229, (214) 350-7611.



2. A claims representative will visit each restaurant during the first few weeks it is open. This representative will supply the entertainment center:

   a. Name, address and telephone number of local claims representative and payment clerk. Make certain this information is printed on the claims folder.

   b. Name, address and telephone number of company doctor(s). A local hospital and ambulance service may also be suggested. Make certain this information is printed on the claims folder.

   c. A Workmen's Compensation folder (w-6) with:

      1) 25 Report of Injury forms

      2) Pad of Medical Identification forms. They include (1) Report of Injury (2) Medical Identification forms (3) Medical Release.

3. Several Notice Post Cards specifying the local claims representative and doctors, with respective emergency telephone numbers. These are to be posted in conspicuous locations in the restaurant.

   If management has questions regarding workmen's compensation, they are to call the local claims supervisor. The restaurant's claim representatives are listed on the Workmen's Compensation Claim's folder.

EMPLOYEE INJURY:

1. Upon knowledge of an alleged employee injury, the manager is to question the employee as to the precise time and details of the incident. No forms are to be taken out at this time. This is strictly a note-taking time only. See Safety Section for procedure on Accident Reporting.

2. The manager is to determine the severity of the problem. For any injuries which are more severe than a first degree burn or surface scrape/cut, medical attention is to be provided. No judgment on company liability is to be made. However, it is the responsibility of the employer to tender the medical care. If the manager fails to offer hospital care, the employee can, in most states, seek his/her own doctor and the corporation would ultimately be liable.



3. Form Completion

If medical attention is needed, the manager is to complete the medical I.D. form (3 part slip as seen on following page) on the employee.

a. The top section labeled "Report of Injury" is to be completed and mailed to the local claims office with the Employer's Report of Injury form. (Instructions for the completion of this form are found later in this procedure.) Retain a copy of each of these forms for the location file (labeled OSHA 200 or Employee Accident) and the employee personnel envelope.

b. The "Medical Identification Form" section of this 3-part form is to be completed and given to the injured employee. This will identify the employee to the company doctor and authorize treatment of injury. Be certain to send the employee to the Liberty Mutual prescribed company doctor.

IN AN EMERGENCY SITUATION, THE EMPLOYEE CAN BE TREATED BY A HOSPITAL EMERGENCY DOCTOR UNTIL A LIBERTY MUTUAL ASSIGNED DOCTOR CAN TAKE OVER.

c. The "Medical Release" section of the 3-part form is to be sent with the injured employee for completion by the company doctor. The employee must deliver this completed section of the form to the general manager before returning to work.

REPORT OF INJURY

Fill out this form and send top part to our office to be used in preparing insurance report IMMEDIATELY

Inj. Name ____
Address ____
Home Tel. No. ____ Occupation ____
Date Inj. ____ Hour ____ M. Dept. ____
Desc. how and where injury occured ____

Nature Injury ____

Witnesses ____ Time Lost? ____
Sent to Dr. ____
Signed ____ Forman or Supervisor
Do Not Use This Form To Report Accident To Insurance Company

MEDICAL IDENTIFICATION FORM

To Dr. ____
Address ____

This form if signed by the Employer is your authority to render treatment to

Employee ____
Date Injured ____

in accordance with the provisions of and under the conditions prescribed by the Workers' Compensation Act. Your bill for treatment in accordance with the provisions of the said Workers' Compensation Act may be forwarded with this Form to the LIBERTY MUTUAL INSURANCE COMPANY

Employer ____
Address ____
Date ____ Made out by ____

MEDICAL RELEASE

To Employer ____
Employee ____
Date Injured ____

The above employee was treated by me for injury on above date and is hereby released —

☐ For Normal Duties
☐ Restricted To ____

Effective This Date ____
By ____
ATTENDING PHYSICIAN

EMPLOYEE MUST DELIVER THIS FORM TO SUPERVISOR BEFORE RETURNING TO WORK.

ASC 1773 R3



4. The Employer's Report of Accident form (a state prescribed form found in the Workmen's Compensation Claim's Folder) is to be completed in duplicate immediately and thoroughly by the manager on duty. On all reports, the manager is to use "alleges" in describing the incident which caused the injury. This is important because prima facia is part of most laws, meaning the first explanation is important in subsequent hearings on such claims. The original copy of the Employer's Report of Accident form is to be sent to the Liberty Mutual Insurance Company local claims office. The second copy is to be retained in the store file which is labeled OSHA 200 form.

   Other company prescribed substantiation procedures: Any other documentation on the accident causing injury by the manager and or witness(es) is to be placed with the Employer's Report of Accident form (See the Safety Section for additional information regarding Accident Reporting. The manager on duty is required to write a separate report of the incident using the procedures found in the Safety Section.)

   If the Employer's Report of Accident form did not show that the injured employee had returned to work, an Employer's Supplemental Report of Injury is to be completed and mailed to the local claim's office immediately after the employee returns to work; or at the end of 60 days. In the event of employee death, this report is to be mailed to the local claims office immediately. The local OSHA office must also be notified.

MULTIPLE INJURIES OR DEATH:

In the event of an employee's death or catastrophe resulting in five or more injuries, OSHA must be notified within forty-eight hours.

EMPLOYEES REQUIRING HOSPITALIZATION OR ABSENCE FROM WORK:

If an employee is put in the hospital or misses work due to the injury, the local Liberty Mutual Insurance Company claims representative must be notified immediately. The claims agent will require a detailed job description of what the employee must do to carry out normal work functions. The claims agent will then communicate with the doctor to determine whether the person can perform these duties. The Liberty Mutual Insurance Company claims representative will monitor costs.



REORDERING FORM:

The local Liberty Mutual Insurance Company claims office will replenish the entertainment center's supply. When the manager has less than twelve (12) of each form, he/she is to call the local claims office and request the needed forms.

MEDICAL BILLS:

All medical bills must be sent directly to the local Liberty Mutual office.

WHO PAYS FOR THE CLAIMS?

It should be noted that all expenses for Workmen's Compensation are charged directly to the units and are not a Home Office expense. In this way, safe entertainment centers are rewarded and centers needing attention are alerted.

For Nevada and Ohio locations: You must request your forms from the respective state office, State Industrial Insurance System (Nevada) or the Ohio Bureau of Workers' Compensation (Ohio). The address to return the completed form is on the form. Each state office will process all claims submitted and pay the medical and loss of time charges relative to each claim. The employer, SPP, is responsible to the state to be sure the necessary funds are in the account to cover such payments. Again, similar procedures should be followed as with Liberty Mutual: (1) complete the Report of Injury and submit to the proper office immediately; (2) be very specific when describing the injury and how it occurred; (3) maintain a copy of the Report of Injury for the location file and employee Personnel Envelope; (4) medical bills are sent directly to the State Office by the attending medical facility office staff; (5) should you have any questions on additional information regarding any claims, call the state office; (6) should you receive any requests for additional information, submit your response immediately.



Policy # 133
Title: Performance Appraisals-Management and Corporate
Effective Date: 4-18-85

OPERATIONS MANUAL

SUBJECT: Management Performance Appraisals

POLICY:

It is the policy of ShowBiz Pizza Place, Inc. to provide a uniform system for improving employee performance. Performance Appraisals are to be conducted on all employees by the respective staff manager at a minimum of once per year. During the first year of employment, appraisals will be conducted after six months and at the one year anniversary date. It is also recommended that a performance appraisal be completed at the completion of the probationary period.

PROCEDURE:

1. Management appraisals are to be conducted for counseling and development purposes only. Salary reviews are to be made apart from and at a different time from the formal management performance appraisal. However, salary recommendations must be based on performance achievement while observing appropriate salary guidelines. This document can and should be an important reference tool during a salary review.

2. The appraisee's immediate supervisor is to provide input into the appraisal process. The final appraisal is to be completed by the district manager for restaurant management. Corporate employees are to be completed by the employee's immediate supervisor with direction and approval from the department head.

3. Following approval of the appraisal by the appraiser's superior, a formal conference or session is conducted with the appraisee in which the final results are discussed.

4. One end product will be a developmental plan, a list of goals and objectives. All individuals must have developmental programs which will contribute to their performance today and prepare them for future assignments.

5. Any time a performance review reveals unsatisfactory performance, another session is to be scheduled with the employee within the next four weeks.



6. If a probationary period due to unsatisfactory performance is in order and performance is such that, if not corrected, will require termination of employment, it is imperative that the individual be informed in writing with a copy placed in the individual's personnel envelope.

   The document is to include:

   a. date of meeting.
   b. problem areas discussed.
   c. plans to correct the deficiencies.
   d. time allowed to correct the problems.
   e. consequences if problems are not corrected.



Policy # 134
Title: Performance Appraisals-Non-Management Field Employees
Effective Date: 4-18-85

OPERATIONS MANUAL

SUBJECT: NON-MANAGEMENT PRFORMANCE APPRAISALS

POLICY:

It is the policy of ShowBiz Pizza Place, Inc. to provide a uniform system for improving employee performance. Non-Management Performance Appraisals will be conducted after ninety days and then at six months of employment and on the employee's anniversary date thereafter.

PROCEDURE:

1. The Non-Exempt Employee Performance Review Form SPP-52 is to be used for appraising non-management field employees. With the exception of the ninety day probationary review where no salary adjustment is normally given, non-exempt employee performance reviews are to be conducted at the time of the individual's salary review.

2. Following approval of the appraisal by the appraiser's superior, a formal conference or session is to be conducted with the appraisee in which the final results are discussed.

3. One end product will be a developmental plan, a list of goals and objectives. All individuals must have development programs which will contribute to their performance today and prepare them for future assignments.

4. Any time a performance review reveals unsatisfactory performance, another session is to be scheduled with the employee within the next four weeks.

5. The yellow copy of the BHC-52 is to be retained in the employee's Personnel Envelope and the white copy is to be submitted to MHMK with the payroll. MHMK will generate a new BHC-52.



Policy # 119
Title: Holidays

Effective Date: 4-18-85

OPERATIONS MANUAL

SUBJECT: HOLIDAYS

POLICY:

All non-management, or non-exempt, personnel who have completed their 90-day probationary period and physically work on a company prescribed holiday are to be paid at a rate of one and one-half times their normal hourly pay rate.

The holidays are New Year's Day, Easter, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas.

SPP OPERATIONS MANUAL:
PERSONNEL, PAYROLL, AND INSURANCE MANUAL

Date of Origin: 1985
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Version 1.0

